

The Seed Barons

How Big Ag, Big Oil & Big Government Are Hijacking the World's Food Supply



*F. William Engdahl is an American based in Germany who is now doing some of the most aggressive writing and reporting on genetically modified food. As he explains in the conversation that follows, he came to the topic after many years of delving into the history, science and politics of energy, specifically multinational oil companies. His 2004 book, *A Century of War: Anglo-American Politics and the New World Order*, was a bestseller, and Engdahl contributes articles to *Asia Times*, *FinancialSense.com*, *Asia Inc.*, *GlobalResearch.com*, *321Gold.com*, *Japan's Nihon Keizai Shimbun* and *Foresight magazine*, among others. Engdahl's energy expertise turns out to be ideal preparation for the biotech wars, another realm governed by huge, shadowy transnational entities with the power to affect millions of lives. Working at a distance from the American activist/liberal community, Engdahl speaks with a refreshing lack of received opinion. He does not, for example, subscribe to the global warming consensus; a topic we elected to take up at another time, the better to concentrate on genetic engineering and the price of oil.*

F. William Engdahl

ACRES U.S.A. What is your background, and how did it lead you to where you are today?

F. WILLIAM ENGDAHL. I've been working as an economic researcher, historian and freelance journalist for some 35 years, initially in New York, then in Europe for a good part of the last five years or so. Back in the 1970s when the United States was going through the so-called energy crisis with the first oil shock in 1973-74 and then the second one in the end of the 1970s, I got interested in the power of Big Oil and began doing research on the networks of influence around the Seven Sisters oil companies. I got quite involved with that and went rather often to Texas, and was invited by independent oil associations throughout the Southwest because of my writings about the issues affecting independent oil versus the multinational companies. That led me into an approach to understanding these problems through history. I was asked back in the early 1990s by a small German publisher if I would consider writing a book on the history of oil. This was actually during the first Iraq war, in 1991. I blocked out some time and began researching a book that later became *A Century of War*. I ended up going way back into the 1880s and the origin of

the British oil-fired naval fleet — the Royal Navy, which was a project instituted by Winston Churchill when he was First Lord of the Admiralty. *A Century of War* traced what I call a thin red line that connects some of the major events in the history of the last hundred or more years, right down to the present, including the United States and Iraq and the threats against Iran, the tensions between China and the United States over Sudan, Darfur, and so forth. The control of oil became a centerpiece of U.S. power projection in the world, especially after World War II. There's a quote from Henry Kissinger in the mid-1970s — he said if you control oil you are able to control whole nations, and if you control food you are able to control the people.

ACRES U.S.A. How did you cross over into the biotech issue?

ENGDAHL. Around the mid-1980s my journalistic assignments brought me to the whole question of the Global Agreement on Tariffs and Trade. I spent a lot of time going back and forth to Brussels, where the European farm organizations are headquartered and also the European Economic Community, as it was called in the 1980s, now the European Union. As I had done with oil, I investigated

how the grain markets worked. I found, quite to my surprise and fascination, that the international grain market and the agricultural policies in Brussels, supposedly an autonomous entity representing the interests of European farmers and consumers, were controlled by *the same people who controlled U.S. foreign policy*. And that was the so-called grain cartel, the four or five largest companies — Cargill, Archer Daniels Midland (in those days you had Continental Grain) — and they had enormous lobbying influence in Brussels to dictate crucial farm policies that were favorable to their interests. I had been looking at the question of the GATT Uruguay Round and the emergence of agribusiness. About five or six years ago I began going back to that work I'd done in the 1980s. I began looking into the whole question of genetically modified organisms and the patenting of plants. Without really having gone into the biology and the background of it at that point, what alarmed me in a gut way was the fact that the decisive patents — a monopoly over crucial feed grains, soybeans, corn and so forth — were at that time held by three or four global multinational corporations — Monsanto, DuPont, Dow, and the fourth would probably be Syngenta of Basel, Switzerland, which is really a merger of Swiss, Swedish and ultimately British biochemical entities. Those three or four corporations, as I saw the trends five or six years ago, were in a position to literally patent and potentially control the seedstock of the entire human race within a decade or so at the rate they were going. Three of the four companies that could amass such power, DuPont, Dow Chemical and Monsanto, had atrocious histories concerning public safety going back to Vietnam War — Agent Orange and dioxin contamination of their own employees in documented cases over decades, for example, and the hiding of those facts. The fact that they had such influence on U.S. policy concerning genetic manipulation of plants was really an alarm signal that motivated me to begin the research that emerged in my book *Seeds of Destruction: The Hidden Agenda of Genetic Manipulation*, which was recently been released by Global Research in Canada and is available in the United States as well.

ACRES U.S.A. Where do we stand now with Monsanto and DuPont's efforts to control the global market? Where did your book end up, and what's happened since you finished work on it?

ENGDAHL. I would say the most dramatic event since then is the recent opening of what the BBC called the Domsday Seed Vault in Spitsbergen, almost to the Arctic Circle, in a chunk of rock that's claimed by the Norwegian government. They have created a global seed bank which is to have samples of every seed variety on the face of the earth stored away in a vault deep inside this mountain that is supposed to

acquire a small, relatively unknown company in Mississippi, Delta & Pine Land. Along with D&PL, they acquired worldwide patent rights to something that's called in the popular press "Terminator technology," which, crudely put, causes a suicide in the seed of a plant containing this technology within one harvest year. You have one harvest and then the plant is unable to reproduce, so farmers can't save seeds for the next harvest as they've done for thousands of years, meaning that farmers who lock into these patented corn or soybean or other Monsanto seeds will be permanently indentured to the company and have to pay license fees to get new seeds and plant anything.

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be invulnerable or impenetrable to any kind of catastrophe, including nuclear attack. The curious thing about this seed vault is that it is being sponsored by what I call the gene giants or the four horsemen of apocalypse, these corporations that are promoting the patenting of life forms through GMOs, and I suspect that cannot be an innocent venture. We have seed banks that preserve seed varieties *in situ* in crucial places around the world. We used to have one in Abu Ghraib in Iraq, but after the U.S. occupation it simply disappeared. Nobody in Iraq was able to trace what happened to it. It was probably bombed into extinction. But there are those seed banks in crucial places. There's one in Syria for wheat varieties that are essential to the world, and there are seed banks for corn or maize varieties in Mexico in the Oaxaca area. As the book was being finished and put into print in 2006, I updated it with the dramatic move by Monsanto to

ACRES U.S.A. But Monsanto has said they won't use that technology, haven't they?

ENGDAHL. Monsanto was very deceptive in claiming they would not commercialize Terminator technology. Delta & Pine Land held the patent to Terminator, but what's even more alarming is the co-patent holder for the technology was none other than the United States Department of Agriculture — the U.S. government! And while Monsanto held this pious press conference in an earlier attempt to acquire D&PL in 1999 and announced they were not going to commercialize Terminator, the Department of Agriculture defiantly said, "Well, we're going ahead with our research and going to work with Delta & Pine Land full steam ahead," which they did. That leads one to question what the motives of the U.S. government have been, at least in the period since 2000 up until the

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present, because the USDA is still actively engaged in research projects supporting Terminator.

ACRES U.S.A. And what *are* the motives?

ENGDAHL. Some people, myself included, think that there's a much more sinister agenda to this genetically modified expansion of seeds around the world. Going back to the Kissinger statement from the 1970s, it means the ability to control vital elements of the human food chain. Soybeans are essential to feed-

“It’s against the law to label your food product as containing GMOs, so most Americans have no idea that about 60 or 70 percent of their daily diet is genetically modified.”

stock these days for mainstream cattle and most animal husbandry, corn as well, rice — there are several strains of rice that have been genetically modified and patented, and of course rice is the feedstock for about 40 percent of the world's population, mainly in Asia. The move to control these essential seeds that are vital to the food chain is something in itself, but then if you combine it with the fact that the U.S. government, since 1992 when George H.W. Bush met with Monsanto in a private meeting in the White House and afterwards signed a directive saying that genetically modified plants are substantially equivalent to standard plants. This was the infamous *substantial equivalence doctrine*, that GMOs were substantially equivalent to normal corn or soybeans or cotton, therefore we need no special government safety oversight or independent testing of genetically modified plants. To my mind this was one of the most lunatic and dangerous steps by any government official perhaps in the entire history of the United States. If you think about it for a minute, at the same time Monsanto, et al., were claiming that their patented corn or patented soybeans or their rBGH hormone for milk production were unique because they had shot

them with some bacillus or some fungus or lord knows what, and changed the DNA of the plant in question. Therefore they're claiming their gene cannons had made the resulting product *unique*, and at the same time they're saying that it's *not* unique, it's just like other corn or soybeans or whatever. Within this contradiction, there is a very, very, very ugly history of Monsanto and government in collusion to simply have no effective regulation or oversight to this day of what goes into the human food chain in terms of genetically modified products.

ACRES U.S.A. Has the Bush era given biotech corporations the window they needed to disarm regulatory authority?

ENGDAHL. There virtually are no controls. There have been since 1992 no government controls, not from the Food and Drug Administration, not from the USDA. None of the government agencies that ought to be monitoring these things and conducting completely independent tests are doing so. Monsanto sends its top people in to become the key point person in the FDA or relevant agencies and then they go back out of the government service after they've done what Monsanto would like to have them do and go right back into Monsanto. Mickey Kantor, Bill Clinton's U.S. Trade Representative, did many, many nice favors for Monsanto in terms of global trade negotiations, and then left govern-

ment and went right into the Board of Directors of Monsanto.

ACRES U.S.A. Did their major accomplishment during this administration consist of reinforcing the status quo of no regulation, heading it off?

ENGDAHL. Well, there is no regulation. What's more, the present administration has gone out of its way to push GMO on countries — Iraq, for example. Monsanto wrote what is called Order 81 when Paul Bremer was what some people called the proconsul in Baghdad after 2003. The U.S. government generously gave the Iraqis a hundred orders and they were *orders* — this is what you'll do. Order 81, in violation of the Iraqi constitution, insisted that patented plants be recognized under Iraqi law and that if someone decided to get a hold of Monsanto GMO seeds and plant them, he could be forced to pay license fees to Monsanto. The recognition under Iraqi law of genetically modified seeds was brought in by the United States back in 2004.

ACRES U.S.A. What does the creation of this Arctic seed vault tell us about the geopolitical ambitions of the major grain companies, the major food powers?

ENGDAHL. I think the Doomsday Vault is a useful way to focus people's attention on what's going on with these things. To spend millions of dollars on such a remote and ostensibly useless project really brings into question what the Bill Gates Foundation is doing together with the Rockefeller Foundation, together with the Norwegian government and Syngenta Foundation and Monsanto up in the Arctic Circle? What are they saving these seeds for? Some people think they're storing them away either to allow the GMO companies to get their hands

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on the seed heritage of mankind, which now under present strictures is supposed to be strictly forbidden, and to begin patenting them, patenting different strains of Basmati rice and corn that is uniquely grown in Mexico and so forth, so that they *really* have a lock on the food supply. One can only speculate at this point, but the Rockefeller Foundation created the genetic revolution and funded it with over \$100 million going way back to the 1970s, and the Rockefeller Foundation has a pretty clear track record in terms of population control, in terms of eugenics, which is really about culling the human herd and selecting out undesirables such as racial minorities or whatnot, and creating, well, in Germany in the 1930s the Rockefeller Foundation financed what was called the creation of the master race, and that's no exaggeration. I document this shocking story in some detail in *Seeds of Destruction*.

ACRES U.S.A. Surely they've renounced that in the years since then. It's Corporate Public Relations 101: distance self from Nazi past.

ENGDAHL. They *haven't*, that's the interesting thing. They've just tried to ignore it. The Rockefeller family was very active in the American Eugenic Society, and eugenics was the program that Hitler's Nazi doctors enforced, and ultimately it led to the gas ovens. When all this came out in the Nuremberg trials, they decided to change the name of the American Eugenics Society, and they said quite defiantly that the new name of eugenics is *genetics*. The funding of biology centers around the world and research that led to the creation of GMOs was directly a project from the beginning of the Rockefeller Foundation. One doesn't need to be a genius to figure out that if the same people are so intently funding eugenics and forced sterilization of what they call "inferior peoples," and they suddenly start funding genetically engineered seeds, maybe the two fit together, and maybe there's a plan to control the seed supply of whole ethnic groups or populations around the world. That would be an ultimate geopolitical weapon, as I document in the book. And it's certainly not beyond imagination, unfortunately.

ACRES U.S.A. Then multinationals based in a fading superpower would still be able to wield enormous power over the global food supply and thus be able to affect the behavior of unruly nations?

ENGDAHL. I've written two books now of what I plan as a trilogy. I'm working on the third. The third part of the Kissinger code was if you control money, you control the whole world. And the control of the seed supply in crucial food elements is an unbelievably powerful weapon. Let's say China is beginning to develop a little independence and is not simply bowing to every request of George Bush and Dick Cheney, or whoever might be in Washington, and tries to assert a

ENGDAHL. It's a mixed picture in Europe. The climate in Europe among the public is very adamantly against GMOs, the laws in places like Germany and elsewhere — in Austria, there's a national law that forbids planting of GMOs, point stop. In Switzerland there's a five-year moratorium, point stop, no GMOs. Farmers I know were instrumental in that. In Greece, the same thing. It's banned. In Poland the parliament there has tried to get very strong restrictions on GMOs because they're worried about small farmers being destroyed by agribusiness conglomerates coming in and just wiping them out. In Germany there's a huge grassroots farmer and consumer movement against GMOs. In Germany

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little bit of its own interest in Asia. The United States can say, “We're cutting off your seed supply, you'll no longer be able to cultivate rice after one harvest season unless you do exactly what we say. We're cutting off your oil supplies to Iran and Sudan and other countries in Africa because we don't like what you're doing or you're not investing enough in U.S. government debt or bailing out the housing debacle of the New York banks.” I mean, it could be anything. It just gives an unbelievable amount of power to whoever controls it. These three or four companies are tightly, tightly interlinked with the Pentagon-military-industrial complex. That's really what should ring alarm bells among people.

ACRES U.S.A. Genetic modification of food encountered some roadblocks and reversals in the last few years, especially in the European Union. You live in Germany — have GMOs met their Waterloo on the continent?

you have a lot of natural foods and places where pesticides and chemicals are not used and it's very strictly regulated. It's not just a label that's put on. They are very, very strongly against GMOs and have more or less kept the liability on the farmer who *plants* the GMO, not on the farmer whose field happens to get contaminated by seed being carried through wind-borne transfer. Right now the present government in Germany, led by Angela Merkel, is going out of its way to mend fences with Washington, D.C., but they're mending fences with the *wrong* Washington, because they're more or less in lockstep with everything the Bush-Cheney administration wants them to do, including support for the introduction of widespread GMO planting. In France, for example, just a month ago you had the government scientific body upholding a ban on Monsanto MON 810, which is genetically modified corn, pending several-years-long independent testing of it. Indications are that it is unstable and not at all healthy

and safe the way Monsanto claims. So there is a very lively debate going on in Europe. I would say that breaking down the European resistance to GMOs is now the number one priority of Monsanto, and they're exerting huge lobbying pressure in Brussels, which is easier to influence because they've been doing it for decades. In Europe you still have national laws that say you must identify if your food product contains more than 1 percent of genetically modified

"While Monsanto held this pious press conference announcing they were not going to commercialize Terminator, the Department of Agriculture defiantly said, 'Well, we're going ahead with our research and going to work with Delta & Pine Land full steam ahead.'"

ingredients. In the United States since the 1990s it's been just the opposite. It's the most absurd thing. It's against the law to label your food product as containing GMOs, so most Americans have no idea that about 60 or 70 percent of their daily diet, whether it's a bowl of Kellogg's cornflakes or corn on the cob at KFC or a McDonald's cheeseburger that has at least one-third allowable soybeans — that all of it is genetically modified. And there are correlations of outbreaks of allergy epidemics in the United States with a possible link to the steady diet of GMO food products in the American food chain now.

ACRES U.S.A. When you walk into the supermarket in Frankfurt, you actually have products on the shelf that are labeled as containing GMOs?

ENGDAHL. Yes. It's very small print, of course, but it's there. By law it has to be there if it's over 1 percent. Now the way that Monsanto and company have kind of gotten around this is they lobbied not to have meat labeled that comes from cattle fed GMO soy and corn, but a lot of the farmers now are beginning to link up to certified GMO-free soy-

bean producers in places such as Brazil where the crop hasn't yet been totally contaminated. They're importing it and certifying that it's GMO-free and having independent tests run on the soy seed.

ACRES U.S.A. How would you rate the success of the popular resistance to the global GMO agenda?

ENGDAHL. The success has been quite strong. The Merkel government hasn't

been able to push the Washington agenda on GMO after two and a half years, and they're trying at every turn. One of the ways they're trying to do it now is through this really lunatic policy of supporting ethanol or biofuels as a substitute for gasoline for transportation the same way that the Bush administration has suddenly discovered its green credentials by supporting biofuels in the United States with heavy government subsidies. Of course the big grain giants such as Archer Daniels Midland and the big oil companies just love this because it's not doing anything to solve any environmental problems. What it is doing is providing a huge upward spike in the price of basic foods throughout the world now, taking land out of agricultural cultivation and turning it into fuel farms, if you will.

ACRES U.S.A. What is the central flaw or fallacy in the biofuel agenda?

ENGDAHL. The fallacy is that the amount of corn land in the United States in 2007 that was cultivated for biofuels was equal to the total amount of corn that went for export from the United States as the world's leading corn

export country. We're talking about a huge amount of acreage, and most of it is growing corn that is to be burned. When that caught on, the United States encouraged Brazil and the European Union to do similar things and convinced them that this was the solution to the dependency on foreign imported oil and high oil prices. The situation is such that the price of grain is now being determined by the price of petroleum, and both are going through the roof. The doubly dangerous thing is that this is occurring in the context of a series of world harvests that have lowered the grain carryover stocks, as the FAO calls them, the reserve against drought and famine and whatever. Those stocks are now at their lowest since the early 1970s when there was a world grain shortage and a huge spike up in the price of grains at the same time as the oil shocks of the 1970s — the current level is the lowest, I think, since 1972.

ACRES U.S.A. How did this happen?

ENGDAHL. The carryover reserve stocks are being depleted partly because of conscious government policies in the United States and the European Union, and who does that benefit? The argument is that the stocks are controlled by Cargill and ADM, so we don't need taxpayer money funding expensive public stocks. Well, no sooner did the governments eliminate a large share of these reserve stocks than along comes the Bush administration and makes a huge push with biofuels, and the acreage devoted to this in the United States just explodes. There have been studies at Berkeley which estimate that if we were to dedicate *all* American corn and soybean production acreage to biofuels, we would meet something like *12 percent* of total gasoline needs. In Iowa and South Dakota, I think something like half the corn crop went to ethanol refineries last year. Not only that, but of course farmers are attracted to this because they see a light at the end of the tunnel after years of depressed income for corn, so they're abandoning their traditional agriculture rotation and exclusively growing soybeans or corn. This has increased soil erosion and created the need for more chemical pesticides, a whole chain of negative conse-

quences. Something like 40 percent of all herbicides used in the United States are now used for corn.

ACRES U.S.A. A standard retort you hear is that in the near future we're going to use these weedy species that don't require a lot of pesticides and fertilizer, we'll have all these weedy plants that just grow everywhere and we grind them up and turn them into fuel. What's wrong with that argument?

ENGDAHL. Cellulosic ethanol. The European Union recently, last year in fact, issued a ruling that national governments such as in Germany could no longer protect the domestic market against the imports of cheaper Brazilian sugar beets. But the point is that the energy economics of biofuels are negative. There is not a net plus in this. We have plenty of oil — Brazil just discovered a huge offshore field with billions of barrels of oil, perhaps equivalent to an Alaska or North Sea oil discovery. There's no shortage of oil around the world, so to be burning food at a time when much of the world lacks the basic food supply for their family nutrition is really an oxymoron in my view.

ACRES U.S.A. That's a surprising opinion because a lot of people subscribe to the view expressed in the movie *Syriana* — oil is running out, or even if there's plenty of oil left, it's much heavier oil that is more expensive to take out of the ground. But you're arguing that there is plenty of oil.

ENGDAHL. Yes. There's no question.

ACRES U.S.A. Then what is the flaw in the peak oil argument?

ENGDAHL. It's a flawed view from the beginning to end. I know the peak oil view — I myself subscribed to it as a possible explanation for the occupation of Iraq in 2003, because nothing else seemed to make sense. I have since rejected it. I wrote a piece that was widely debated and earned me quite a bit of hostile mail, called "Confessions of an Ex-Peak Oil Believer." The whole peak oil theory rests on the idea that oil is a fossil fuel, which is accepted as religious

dogma by almost every geology department in most of the world. The problem is, oil is *not* a fossil fuel, it's not from the detritus of dead dinosaurs or from algae from under the ocean or bird fossils or whatever fossils you want to take. It's not a biological product. Oil is generated deep down. If you've ever seen a schematic cutting into the core of the earth of how a volcano erupts, it's like a huge seething cauldron deep down inside the earth's mantle burning constantly. Then there's a fault or a rupture or an alignment of a certain structure near the surface of the earth, and that allows this enormous temperature and pressure to erupt to the surface, like Krakatoa or Mount Etna. Imagine that that's how oil is created, deep down in the earth — oil is a hydrocarbon, and Russian scientists have synthetically reproduced oil hydrocarbons in the laboratory at a hundred times the atmospheric pressure at sea level. Oil is constantly being produced, at least from all indications, deep down in the Earth, and rather than saying it comes from dead animals that are pressed down in the earth from above, we should start training our geologists to look deeper at some of the fields such as Ghawar in Saudi Arabia, some of these fault structures in the Middle East that gave them such riches of oil. I was in Iceland a year ago giving a talk on my book, and the former foreign

oil today? Well, I don't see any signs that Exxon-Mobile is crying on their way to the bank. They're making obscene profits, and it's accepted as justifiable. Nobody's even debating that.

ACRES U.S.A. Can happy American motorists rest easy at night, then, believing that the discovery of large amounts of oil are going to mean that the price of gas will head back downward in the near future? That would also bring the price of food down, and life would get a little easier.

ENGDAHL. I wish I could be reassuring, but the price of oil is controlled by two elements. One, the people who control the downstream, which are the big three or big four oil multinationals, two British and two American, and number two, Wall Street. The derivatives market in paper oil trading has completely revolutionized the pricing mechanism for oil. The exporters at the source in the Middle East aren't the ones making \$107 price per barrel. It's Goldman Sachs, Morgan Stanley, and these oil-derivative trading banks that have emerged which have such an influence on oil price. Anytime there's a news report on Reuters that says insurgents or the opposition in Basra has blown up a crucial oil export pipeline, then these hedge funds and oil speculators have an excuse to bid the price of

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minister there told me the government had just commissioned an independent geophysical survey of Iceland in terms of presence of oil. He said the conclusion was that Iceland is swimming on a sea of oil, that it's a potential North Sea. Who controls the information we have on oil supplies? Who got the peak oil movement going? The intimate decades-long friend of Dick Cheney, Matt Simmons from Houston, the oil banker. And who benefits from \$107 per barrel price of

oil up \$10 a barrel in five minutes. It's a very precarious thing. The oil companies have shifted over the last decade to just-in-time inventory, which means that they're able to maximize the upwards price pressures. It's a controlled market — this is *not* a free market! Energy is probably the most controlled market in the world, food being second.

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ACRES U.S.A. Then the supply of oil is assured for the next few decades at least?

ENGDAHL. No, people who have done the work on this say it's assured for centuries ahead. I was told once by someone in Washington who was connected with one of the intelligence community think tanks that the United States had satellite reconnaissance evidence that there is enough undeveloped oil in the undefined border between Saudi Arabia and

That's simply a problem that has to be solved.

ACRES U.S.A. It's the hope of many people that if oil becomes scarce, the high prices would motivate research and changes in living habits to move away from these terrible things we do to our environment. Greenhouse gases notwithstanding, the physical and spiritual pollution caused by car culture in a places such as Houston and Los Angeles and Rio de Janeiro is hard to overstate.

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Yemen to supply the entire planet's needs for petroleum for the next 50 years, and this was 10 years ago. So the oil is there. The Russian geophysicists know how to find it. They found oil in Siberia back during the Cold War when they had no possibility of relying on imported oil from the Middle East because NATO was blocking it. The Russians developed deep oil geophysics and they found supplies in offshore Vietnam during the Cold War and they've located reserves throughout Russia. Russia is the second biggest oil producer in the world behind Saudi Arabia today.

ACRES U.S.A. Leaving aside global warming for another day, one consequence of the oil habit is its direct impact on the physical environment. There's a mass of plastic waste swirling around in the Pacific right now that's almost twice the size of Texas. The world is choking on this stuff.

ENGDAHL. That's an ecological question that requires management by government agencies. We have to fuel our economies with an effective fuel that is affordable and can be made better, but I'm not an advocate of filling the Earth with plastic grocery bags by any means.

ENGDAHL. You mean the SUV culture? I agree with people who think SUVs are a little bit over the top. I think you can transport your family and buy groceries and do most of the things people need to do with cars that are of a modest size and fuel efficient. There are known cases where inventors have developed engines that can get 100, 200, 300 miles to a gallon, but those inventors had their patents bought up by General Motors or one of the other big companies.

ACRES U.S.A. People dismiss those stories as urban legends.

ENGDAHL. No legend, no legend at all! I've met people over the years who have invented some of these things. They're small, creative, usually a few people or one-man enterprises, and they get bought up and their invention is pulled off the market. The Arabian rights to my book *A Century of War* were bought up by a prominent Saudi publishing house and it was pulled off the market, so there's no Arabian edition.

ACRES U.S.A. It seems to be a really eventful time we're living through right now, as we speak in late March 2008. The dollar is falling, Iraq seems to be

blowing up again, and Afghanistan is not going well. The Russians seem to have more weight to throw around with energy leverage than ever before, and so does Venezuela. OPEC doesn't seem to be as effective an arbiter as it used to be, so what can we expect in the next few years?

ENGDAHL. That's a huge question. In my humble opinion, I think we're living through one of these historical eras of a fundamental paradigm shift of power. We had one between the 1870s and 1914 with the decline of the British Empire and the emergence of two rival empires to challenge that, one was Germany, the German Reich, and the other was the United States. That took between 1914 and 1945 before the outcome was clearly decided and the United States was the unquestioned dominant superpower in the world. The title of my next book provisionally is *The Rise and Decline of the American Century*, which is the name that Henry Luce of *Time* magazine gave to the emergence of American hegemony in the 1940s. This sub-prime crisis is really a fundamental crisis of the U.S. banking and financial system, regrettably and tragically, because there's no need for it. Unless really, really dramatic change comes from Congress and from a new President, which I'm skeptical about at this point, I think the United States is going straight in the direction of the Great Depression of the 1930s. You have waves of home foreclosure sweeping the country, you have suburban areas being turned into ghetto gang war lands, abandoned houses, people are terrified about what is happening to their once-beautiful neighborhoods in the space of two or three years, and that trend is going to grow exponentially because the way these home mortgages were structured and fraudulently pushed on people. It was financial fraud on a huge scale. I've written a series on this called *The Financial Tsunami*, and if people are interested, they can look it up on the Web. The man who single-handedly pushed this at every juncture, the securitization of mortgages and the expansion of that practice, was Alan Greenspan, the former chairman of the Federal Reserve, right up until the day he retired. Now of course he's written his memoirs and

is claiming that he didn't "get it" until 2005-2006. Well, I maintain he *did* get it, because he created the securitization of the new finance revolution, as he called it in speech after speech.

ACRES U.S.A. Is there a way out of this mess?

ENGDAHL. That will depend on how the government reacts and how the voters *make* the government react, because after all there is a little bit of influence that voters have every four years at election time. This is a crucial year to call politicians and elected representatives to task to make some *real* change. So far the debate that I've seen has been pathetic. None of the candidates are even beginning to address what is the most serious financial and economic crisis the nation has faced since the Great Depression of the 1930s. That's going to have an effect on the ability of the Pentagon for power projection around the world. The idea of this sole superpower, I think, is going to be seen in a few years as a bad joke. Most of the world already sees it that way. Because the media is so closed to telling them what really is going on outside their shores, most Americans are completely in the dark about the realities. But there is a profound sense in most

of the rest of the world that the United States is in a terminal decline and they'd best get as far away from it as they can without having their country bombed to smithereens in revenge. I think we're going to see a number of poles in the world. We'll see an Asian one with China playing a very important role, we'll perhaps see a central European one with Russia playing a very important role, not an aggressive one in terms of military power but a defensive one. I think it's up for grabs which way the European Union — Germany, France, England, the rest of Europe — will go in relation to these. Until now they tend to hold onto their Atlantic partner across the water, but that is becoming very tenuous as the dollar goes down and the Euro goes up. It's really a profound change. This is no business-as-usual, three-or-four-month recession that the United States is looking at. We're talking about a four, five, six-year economic depression. And we have a President who seems to be intent on becoming the heir to Herbert Hoover, who during the 1929-1931 period kept making speech after speech about how we've turned the corner and the worst is behind us and just have faith in America. You read the speeches of President Bush and you're reading the Herbert Hoover of 2008.

For more information on William Engdahl, including samples of his writings, visit www.engdahl.oilgeopolitics.net. His latest book, *Seeds of Destruction* (ISBN 0-97371-472-7), is now available at select bookstores.

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