The great GATT gangup

Secretary of Agriculture Yeutter is selling U.S. farmers to the monopolies with his proposals to GATT.

On Nov. 28, U.S. Agriculture Secretary Clayton Yeutter gave the keynote address to the 1990 Agricultural Outlook Conference in Washington, D.C. After about 20 minutes of smiling political double talk that centered around the General Agreements on Trade and Tariffs (GATT) negotiations, Yeutter defensively replied to *EIR*'s question about the U.S. proposals to eliminate all "trade-distorting" agricultural trade subsidies by saying, "I have said about 900 times that we are not trying to get rid of all farm subsidies."

However, circumstantial evidence connects Cargill grain company officials with the development and promotion of the current "decoupling" approach to U.S. farm policy, which is one of the main proposals in the 1990 Farm Bill discussions.

Presumably, the income losses farmers will incur if GATT negotiators agree to phase out agricultural trade subsidies over a 10-year period, could be compensated to U.S producers by direct subsidies "decoupled" from the amount of bushels of crop a farmer produces.

According to a January 1989 report by the National Farmers Union, the president of Cargill and his vice president for public affairs have strongly endorsed the decoupling of farm programs and farm payments.

The effect of decoupling is that farmers will be paid, in effect, for doing nothing. The decoupling bill proposes to provide transitional or "equity payments," more accurately called "exit payments," that will be phased out over a five-year period. Decoupling is in effect a "whole-farmer buy-out program," with a welfare pittance to quiet the transition of more producers out of farming, and is wholeheartedly backed by the big grain monopolies.

It is difficult to imagine how American consumers would benefit from decoupling, since they have gained nothing from the systematic reduction of farm price supports during recent years. According to the U.S. Department of Agriculture "1988 Fact Book of Agriculture," retail food prices have advanced 70.1% in the past decade even as farm prices in the marketplace have gone down.

Yeutter and the Bush administration have appeased the international grain cartel gang by orchestrating the focus of the GATT trade talks on "unfair" subsidies, while the impact of the GATT proposals on world per capita food production and agricultural income are swept under the carpet.

The Trilateral Commission-inspired U.S. farm policies have been designed to reduce food production and consolidate food production and processing into monopolistic control by a few multinational giants, and thus to impose food control. Today, the results of these policies are higher retail food prices and shorter supplies. The food monopolies are looting both the producer and the consumer at the same time while making historic profits. The subsidy decoupling proposal and international trade liberalization will be the final phase of world food control.

A USDA report released by the Economic Research Service in August 1989 entitled "Economic Implications of Agricultural Policy Reforms in Industrial Market Economies," explains that the impact of U.S. free-trade proposals to the GATT would not have a beneficial effect on food producers or consumers.

The report states, "Multilateral elimination of support would reduce production of most agricultural commodities in industrial market economies." It explains, "The producers in the United States, EC [European Community], and Japan are likely to lose between $15 and $25 billion with multilateral trade liberalization unless they are compensated." Most of the losses would be absorbed by rice producers in Japan, beef producers in the EC, and grain producers in the United States. "World price increases would not be sufficient to offset the lost support," according to the report.

The results also indicate that the United States would improve its agricultural balance of trade, while the European Community and Japan would face considerably larger trade deficits.

The report does appear to unmask the main beneficiaries of the free-trade proposals of the United States to the GATT—the giant grain and food monopolies. It indicates that U.S. beef exports would increase with trade liberalization. This could be why the world's largest grain companies like Cargill, ConAgra, and IBP have moved with a vengeance into U.S. beef processing and production. Now 60% of U.S. beef packing is controlled by these three monopolies. The packers will get the benefits of increased beef trade, not the producers.

Today the United States is the world's largest importer of food. If Yeutter's free-trade GATT proposals reduce food production as reported in the above USDA study, even more U.S. food imports will come out of the mouths of the Third World population.