

Agriculture by Marcia Merry

'Free trade' is no solution

American farmers won't benefit from U.S. bullying tactics at the Houston summit—and European farmers are furious.

Did President Bush, Agriculture Secretary Clayton Yeutter, and Special Trade Representative Carla Hills go too far this time, with their bullying speeches at the Houston summit ordering the Europeans to accede to U.S. demands for "free trade" in farm commodities? Will this lead to a failure of negotiations under the General Agreement on Tariffs and Trade (GATT)?

Good! If the four-year process known as the GATT Uruguay Round on how to "liberalize" world agriculture trade fails, that will only be to the benefit of food production, provided measures are then taken to provide farmers on both sides of the Atlantic with the income necessary to continue to produce food. The real question is how to relieve the world food crisis—not worsen it, as the "free trade" policy will do.

In 1986, ministers of the 97 member nations of the U.N. GATT met in Punta del Este, Uruguay, and agreed to reach a treaty on eliminating "national barriers" to farm trade by the year 1990. Right from the start, this was a ploy by the world cartel of giant food companies—Cargill, ADM, Continental, Bunge, Unilver, André/Garnac, Louis Dreyfus—to dominate trade.

Within the first four hours of the opening of the Houston Group of Seven summit meeting on July 9, there were four strident speeches by U.S. officials demanding that the European Community agree to U.S. GATT positions: 1) end all farm subsidies by the year 2000; 2) end export subsidies of farm products; and 3) end tariffs

and other import restrictions.

The U.S. and the EC have been at odds over trade rules for years, especially at the 1988 GATT session in Montreal, which ended after 10 days in an impasse. But the acrimony in Houston was even worse.

The EC position is that there are thousands more farmers in the European Community than in the United States, and any phasing out of national prerogatives to assist these farmers, and to preserve tariff barriers, must be gradual.

At Houston, a joint communiqué on agriculture trade was released, committing the participants to farm trade liberalization "in principle."

On July 23, there is to be a meeting of representatives of 30 of the GATT member nations, in Geneva, to come up with a "framework" for a world trade treaty that could be signed in December at the final, full-dress meeting of the Uruguay Round in Brussels. Art de Zeeuw, the former Dutch agriculture minister who now chairs the GATT negotiating group on agriculture, was assigned to produce a draft document.

But, European governments are under growing pressure not to capitulate to the demands of the Anglo-Saxon liberals. In April, thousands of European farmers took to the streets to demonstrate against GATT, and against the EC Agriculture Commission's policies to cut farm prices and curb production. They put such heat on their national governments, that at the annual spring EC ministerial meeting on agriculture policy, the EC Agriculture Commissioner Ray Mac-

Sharry—known as Ray the Axe—had to back off from his plan to slash grain prices.

In June, French farmers dumped wheat on the Champs Elysée, to protest the low prices and high costs.

In contrast, in the United States, farmers have not been putting the heat on Washington over GATT, but have just been calling for "fair play"—a reflection of the foolish American propensity to view politics as team sports. There is no fair play possible from GATT: The game was rigged at the start.

Not understanding this, the president of the National Farmers Union and the head of the National Farmers Organization attended a meeting in June in Norway of the 29th General Conference of the International Federation of Agricultural Producers, which stated support for the "Adelaide Statement." The NFU press release said, "The statement gave support to removing or reducing farm support measures which have contributed to commodity surpluses and which distort international trade."

In reality, over the past four years of the Uruguay Round, world food stocks have fallen, because annual grain production has been *below* average annual grain consumption. The world food cartel companies have orchestrated an attempt to herd nations in the GATT to give up their sovereign rights to support their farm sectors, to produce more food. The cartel wants to control scarce food, and to decide who eats and who doesn't. All the GATT jargon about removing trade "distortions" is a cover for a power play by the cartel.

If the Uruguay Round collapses, the cartel will still try to dominate trade, through regional "free trade" blocs, such as the Europe 1992 program and the North American Common Market.