1989, this produced a gap of just under 30% in income levels between the two groups.

The European Community has imposed a systematic price reduction formula especially targeting European grain farmer prices, since the Hanover EC summit in early 1988. At that meeting, under strong pressure from Britain's "free market" prime minister, Margaret Thatcher, the EC imposed a ceiling on its grain production of 160 million tons per annum. Any one pound produced over this ceiling triggers automatic and severe price cuts for all grains to the farmer for the coming crop year, the so-called "automatic stabilizers." In effect, the EC had been imposing, step-wise, the Trilateral "market-oriented" plan to slash farmer subsidies.

At the same time, while publicly blaming European "greedy farmers" and EC farm supports, the Bush administration has committed record sums for subsidizing export of U.S. grain and other farm products through aggressive dumping programs such as the Export Enhancement Program of the U.S. Department of Agriculture. The aim has been to push European grain exports out of third markets such as Algeria and Egypt, leaving the United States as the de facto dictator of world food supply, a political weapon perhaps even more awesome than Washington's control over world petroleum today.

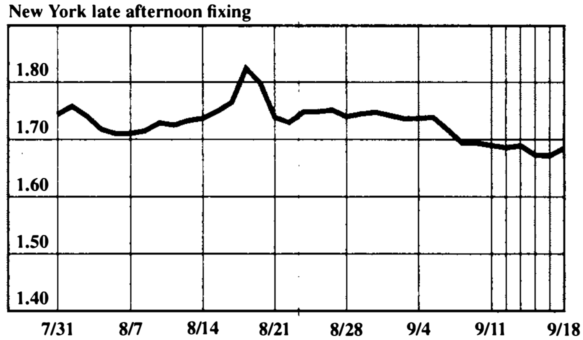
Now, under the argument that failure of the EC to agree to slash its remaining EC agriculture support was the reason that the GATT Uruguay Round did not reach a "successful" conclusion by the original deadline of December 1990, this summer the European Commission approved a slightly modified version of the proposal from Agriculture Commissioner Ray MacSharry for "CAP reform." According to a study just released by the Dutch Institute for Agricultural Economics, the MacSharry plan would be the death knell for entire sections of European economic life. The most severely hit would be the country most economically dependent on agriculture for its national production, Denmark, whose farmers stand to lose 41% in income. Losses to German, Dutch, British, and French farmers would range from −5% to −15% and a total EC reduction in farm income annually of more than 12 billion deutschemarks (about $7 billion)—a devastating prospect which recently prompted German Farmers Association chairman Constantin Heereman to call for large-scale farmer protest against the Brussels plan.

Better under these conditions to abandon the foolish GATT Uruguay Round and leave world trade and tariff agreements where they have been. The argument used, that a GATT "failure" would trigger trade war and retaliatory tariff blocs, and a world economic depression similar to the 1930s after the U.S. Smoot-Hawley Tariff, is based on a false idea of the real causes of the economic depression of the 1930s. Industrial production collapsed in the 1930s in Germany, Austria, France, and America. But it was because of the collapse of the rotten Anglo-American Versailles debt structures, not because of Smoot-Hawley.

Currency Rates

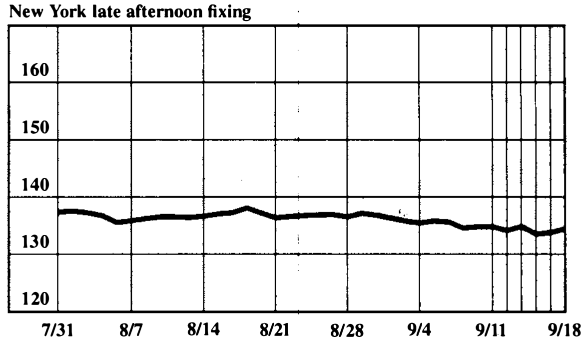
The dollar in deutschemarks

New York late afternoon fixing



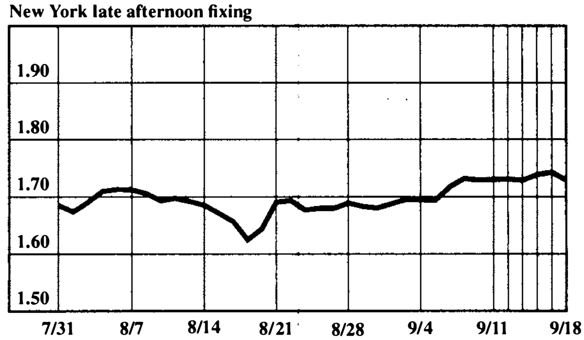
The dollar in yen

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing