

Agriculture by Suzanne Rose

France, Germany sell out on GATT

Mass protests oppose the capitulation, but their success depends on an alternative to Anglo-American free trade.

French Agriculture Minister Louis Mermaz capitulated Oct. 19-20 to the European Community's proposal for reform of the Common Agriculture Policy (CAP). At a meeting of EC Agriculture Commissioners, Mermaz agreed to cuts in European price supports to farmers, and to adopting the U.S. method of compensating farmers through government subsidies.

Mermaz's agreement signified that France had joined Germany in capitulating to Anglo-American demands in the General Agreement on Tariffs and Trade (GATT) negotiations. It also signaled the impending collapse of the CAP, heretofore a barrier to the financial looting of European farmers by Anglo-American banks and food cartels. The CAP has acted to maintain the productivity and income levels of European farmers since the EC was founded in 1957, through price supports and other forms of protection.

Farmer protests have been under way in both countries for two months in anticipation of a capitulation. The success of the demonstrations will only be determined by their ability to mount an alternative to Anglo-American demands for free trade austerity.

Coinciding with the International Monetary Fund (IMF) meeting in Bangkok Oct. 7-12, the German government agreed to conclude a GATT agreement along the lines of the compromise proposed by EC Agriculture Minister Ray MacSharry when the Uruguay Round of the GATT talks deadlocked last February. MacSharry kept the talks alive by promising a reform of

the CAP which would satisfy the Anglo-American demands for massive cuts in prices paid to European farmers, which the governments of both France and Germany had been opposing.

On Oct. 9, a crack in their unified opposition appeared when German Economics Minister Jürgen Möllemann told a Council of European Ministers' meeting that every effort would be made to conclude GATT. He said Germany would be prepared to make substantial agricultural concessions. His remarks have since been buttressed by German Chancellor Helmut Kohl.

When Mermaz followed the German lead, he was condemning French farmers to a U.S.-modeled farm policy which has bankrupted millions of independent farmers and turned the remainder into slaves of the giant food cartels. Bankrupting European farmers will leave world food production in the control of a few cartels, and have devastating consequences for already-failing world food production.

The German shift followed rumors that an agreement had been reached by the German, French, and U.S. governments, which would be surfaced after a suitable period to allow farmers to "let off steam." A version of the deal was leaked by U.S. Sen. Max Baucus (D-Mont.), a leading free trader, before the National Association of Manufacturers on Oct. 16. He said that the administration should ease off on its demands for subsidy cuts (as much as 95% on export subsidies, and 75% on price supports) in return for concessions on subsidies

to industry and services.

Baucus stressed that the most important area would be cuts in "export subsidies," and that internal cuts could be phased in. Export subsidies have, until now, been the major sticking point between Europe and the United States. If subsidies to agricultural exports are ended and the grain cartels are able to take away European export markets (by underpaying farmers), European farmers will soon be bankrupted. The Baucus message concluded ominously: "The Bush administration must work to conclude the Uruguay Round with the same vigor that it confronted Iraq."

Meanwhile, the French government especially has been faced with farmer militance. Enraged farmers have been demonstrating to dramatize their desperate situation, including at every meeting of government officials.

On Sept. 30, after weeks of decentralized protests, 200,000 French farmers demonstrated in Paris. Raymond Lacombe, head of the French farm organization FNSEA, denounced the attacks from the United States, "which wants to control the food weapon." He attacked "unbridled liberalism" and the "scandal of men and women who continue to be hungry while preventing advanced countries from producing."

French President François Mitterrand called Oct. 21 for a police crackdown. However, farmers have begun to involve nurses, police, and other government workers in protesting the government's austerity policies. Farmers are planning to merge with a one-day general strike. In Germany, 12,000 farmers protested the sell-out at a rally in Luebeck on Oct. 22. In Canada, 4,000 farmers protested on Oct. 24 the collapse of their prices under the free trade agreement signed with the United States in 1988.