

## Agriculture by Rosa Tennenbaum

### Swiss farmers don't want GATT

*It will destroy the middle class, starting with family farmers—and government payoffs are nothing but a mirage.*

Switzerland is supposed to enter the General Agreement on Tariffs and Trade, GATT, the supranational free-trade organization that has slashed and burned its way through many a national economy. That's what the international institutions want, and that's what the Swiss Businessmen's Association and the Swiss Farmers' Association want. Only the Swiss themselves don't want it very much, and especially not the Swiss farmers. They have good reasons, which are little by little coming out into the public light.

In Switzerland, as elsewhere, farm incomes have been steadily declining in recent years. An average farm with a cultivable area of 18 hectares was already operating about 25.4% below breakeven in 1991; a year later the deficit increased by another 4.6%, and 1993 by 11.4% more.

The income of an average farm family plummeted within three years from 97,645 Swiss francs to SF 61,879 francs. The Swiss government has endorsed the GATT measures, but the Swiss citizens have not yet decided whether they will approve GATT regulations (in a future referendum). In fact, the prospects for it are not so rosy, because the opposition is huge. Yet the Bern government is acting as if the voters had already voted in favor of GATT.

Accordingly, agriculture's future looks bad. In the current year, rural incomes will shrink a further 36%, which for the average farm corresponds to a new loss of SF 22,839, or SF 1,211 per hectare. As the Research Institute of Taenikon esti-

mated, the average income for Swiss farmers in 2002 will be 45% lower compared to 1993, if the GATT provisions are carried out.

This still excludes inflated prices for farmers' regular investments. Even if everything the farmer and his family buy in the next eight years has the same price as today, the family income will drop by half. If inflation is only 1% higher than the rationalization measures the farmers will probably take, they will have 58% less, the institute calculates. As inflation will very probably be higher than that, around the turn of century, farm families will have to live on substantially less than half of what they have today.

This was predictable, since it conforms to developments already seen in the United States and European Community (now European Union). Nevertheless, the Swiss Farmers Association (SBV) is campaigning for a Swiss GATT membership.

In mid-April, Melchior Ehler, director of the SBV, sided, surprisingly, with Swiss business in favor of GATT. Since GATT would improve business for other parts of the economy, it was argued, GATT would also be good for the farmers.

The contrary is true: Because free trade policies will wipe out the medium-sized sector, including its mainstay, the family farms, the whole economy is going to suffer immensely. But nothing will put a functionary's reason to sleep faster than the sound of coins or the promise of a better position. And it's no secret that the "playboy of Swiss agriculture," as he's universally called, has high aspi-

rations in Swiss politics.

The path Ehler and the SBV chose is the same that all major farmers' associations have taken, betraying their members' interests: He demands financial compensation by the state. For each percent of cost increase in the farms, Ehler demands SF 100 million from the government. He will never get that, of course, as he very well knows, but it's a good way of keeping the association's membership on pins and needles.

Besides that, the SBV wants investment in "improved structures," or, to put it more clearly, a structural change in favor of bigger farms. Of course, they won't consider the fact that Switzerland's geographical topography, with its steep mountains and narrow valleys, sets a limit on that. "Structural development" is the SBV's magic word; with it the SBV denies any blame, putting it into the farmers' hands. They aren't "enterprising" or "dynamic" enough, they failed to grow. A farmer in the Swiss mountains is supposed to enter into competition with a New Zealand dairy farmer, who is able to produce milk for a fraction of the cost, thanks to natural conditions. It works—on paper.

The Swiss New Farmers' Coordination (NBKS) group had warned their colleagues early in the year that free trade will wipe out a major part of small and medium-sized industry and farms, and challenged the agricultural establishment with meetings which often were crowded with hundreds of people. The SBV answered with a broad slander campaign against the NBKS and its collaborators in the Schiller Institute. It talked about "foreign manipulation" and "sinister conspiracy theories." Obviously those things do, in fact, exist: in the places where one finds Herr Ehler, the SBV, and numerous other enemies and slanderers of the NBKS.