

Agriculture by Suzanne Rose

GATT meeting is a bust

House Agriculture Committee grandstands against Europe, demanding that farmers be abandoned there, too.

At the latest "Uruguay Round" session Jan. 13 in Geneva, representatives of 108 member nations of the U.N. General Agreement on Tariffs and Trade (GATT) came together, disagreed as usual, and said they would return in March. This was a foregone conclusion after talks broke down in December. The Jan. 13 session had been scheduled to review the draft treaty text by GATT Secretary General Arthur Dunkel, which hardly anyone approves of. On Jan. 11, the European Community (EC) agriculture ministers had rejected key planks.

Nonetheless, the House Agriculture Committee held hearings Jan. 8 to attack the Europeans. At the hearing to review the doomed Dunkel text, administration representatives claimed the talks were going smoothly with only minor matters to be ironed out.

This is a joke. Although no European diplomat would say so outright, it is open knowledge that the European opposition to the severe farm income cuts demanded in the Dunkel text makes an agreement in the future unlikely.

Two days before French Agriculture Minister Louis Mermaz unilaterally opposed the Dunkel proposals on the grounds that they would destroy European agriculture, Julius Katz, from the office of the U.S. Trade Representative, told the committee, "We believe that most participants, including the United States, will accept the draft text [on Jan. 13] as a milestone in the negotiations, but will not pass final judgment on the text at that time." Katz claimed there was yet another "final" deadline for agreement on March 31. "It's a good agreement

for American farmers and worth fighting for."

During questioning, that assessment was challenged by Rep. Collin Peterson (D-Minn.) who said, "It's hard for me to see how agriculture benefits from this agreement." What several congressmen concluded from questioning Bush administration spokesmen Katz and Agriculture Undersecretary Richard Crowder, was that the agreement would neither help nor hinder farmers in the United States. "So why have an agreement?" one asked. The reason, it seemed, was to help the administration destroy European farmers.

Most committee members, including chairman Rep. Kika de la Garza (D-Tex.), took the position that the agriculture income cuts demanded by the Dunkel text would not hurt European farmers enough, and that American farmers, because they had already cut so much, would be at a competitive disadvantage.

The Dunkel proposals on agriculture were: substantial cuts in producers' income (20% cuts in internal supports), cuts in the budgetary outlays and volume of subsidized exports, and reduction in the protective barriers which nations put up to protect their agriculture from more cheaply produced imports.

Gleeful that U.S. farmers would not be forced to cut their price supports anymore, because prices have already been cut to the level demanded by Dunkel, the congressmen took turns denouncing the Europeans for not being forced to cut enough under the draft text. Undersecretary Crowder set the stage in his opening remarks

by blaming European farmers for taking 50 million acres out of production around the world since 1970, because the EC went from a net importer to a net exporter of grain. Ignoring the fact that the Dunkel "free trade" agreement would be a disaster for farmers everywhere because it puts agriculture production directly under the control of the giant grain trading monopolies, the congressmen attacked the EC for resisting the assault—like a shipwrecked sailor, about to be swallowed by a barracuda, who punctures his escaping mate's life raft.

Others expressed concern about how the agreement would affect the particular commodity produced in their area. Rep. Steve Gunderson (R-Wisc.) expressed gratitude that Dunkel's proposal would not worsen prices for the dairy farmers in his district, who are already facing bankruptcy due to milk price supports which are below the farmer's breakeven costs. He expressed concern that the agreement could lower milk prices further through the avenue of increased imports. He was mollified by the idea that U.S. dairy farmers could compensate for their low prices by exporting more to Mexico under the proposed North American Free Trade Agreement, in effect by displacing EC exporters and eliminating Mexican producers.

The only substantive criticism of the GATT free trade policy of subjecting the world to the dictates of the giant trading monopolies, came from Rep. Ron Marlenee (R-Mont.) who reported that he was hearing grumbling that the agreement would violate national sovereignty. Marlenee wondered whether it was unconstitutional for Congress to be bound from one session to the next by an international agreement which would supersede the right of Congress to legislate changes in farm policy.