

Agriculture by Robert Baker

Why is the USDA so upset?

A secret Agriculture Department report shows that what the U.S. is proposing to trade partners would be a disaster for all.

This author received a very upset and embarrassed response when a Department of Agriculture spokesman was contacted and questioned about a certain secret report that fell into my hands.

The report "Agricultural Policy Reform in the Uruguay Round," (dated September 1988) reports on the proceedings of a workshop jointly sponsored by the National Center for Food and Agriculture (NCFA) and the USDA's Economic Research Service (ERS). The workshop evaluated what could be expected if current U.S. proposals for agricultural "trade reform" are implemented. The conclusions were embarrassingly bad for American as well as world agriculture.

The U.S. historically has been oriented to "protectionism" as a means of strengthening domestic industry and agriculture. But in just the last four years, Washington has done an about-face and gone whole-hog into "free trade" advocacy, calling for the elimination of all agricultural subsidies internationally.

Speaking in Pakistan last month at an international trade conference preparatory to the December meeting of the General Agreement on Tariffs and Trade, U.S. Trade Representative Clayton Yeutter defended his "extreme" free trade position as necessary in order to "make the point strongly" to the European Community that the time for subsidies is over. Well, the secret report obtained by *EIR* effectively shows that the "free trade" advocated by the United States will be a disaster for both the United States and

its trading partners!

When contacted about this report, the USDA spokesman became very excited, and colorfully demanded to know where the report had been obtained; it was not to be released to the public.

The report originally *was* intended for public distribution, but at the last minute, it was decided it should be released in the name of the NCFA, rather than the USDA, in order to distance the administration from its content.

The report evaluates the drastic effects of global and domestic policy "reform" on U.S. agriculture, if the current malthusian "free trade" reform proposals are implemented. It indicates that the effects are not limited to changes in the prices and quantities of various commodities produced, or a shift away from dependence on price and income supports to income from "the free marketplace." The policy reform will lead to a fundamental restructuring of U.S. agriculture and will have a significant adverse impact on: 1) resource use and employment, 2) asset values and cost structure, 3) geographic distribution of production, 4) income distribution across regions, commodities, and farm sizes, and 5) number and size of farms.

When each of these points is elaborated, a game plan for the controlled destruction of agriculture begins to unfold. Redistribution of income and farm sizes, and declining land and asset values will require "transition programs." These programs will take the form of government buy-outs of land

and assets, decoupled subsidy payments, and a long-term income support program that would allow more small and medium sized producers to remain in business and place more of the "adjustment" burden on the larger farmers.

The report is fundamentally false in implying that the needed level of food supplies can be maintained under the conditions of agricultural transformation it proposes. A sharp decline in key foodstuffs would be the inevitable result.

A parallel report has recently been released in Western Europe, by the European Commission in Brussels, called "Disharmonies in Agricultural Policy between the United States and the European Community." This report likewise elaborates on the redistribution of income, land and asset values, and the regional impact on European and American agriculture, resulting from the destructive "free trade" policies.

The question arises, why distance this report from the Reagan administration, when it is so close to the end of its term? The answer may be found in the convulsive but recognizable smell these reports give off, the smell one is familiar with, if one is familiar with the Trilateral Commission, which established this policy line in the early 1980s. The European report was authored by individuals prominent in agriculture policy circles of the Trilateral Commission. The policy reforms being formally proposed by USDA bureaucrats, European Community officials, Japanese spokesmen, and most of the leading agricultural exporting nations follow the same theme—free trade.

The U.S. version of the report is probably considered by the USDA higher-ups too revealing of the international policy forces operating "behind the scenes."