

Agriculture by William Engdahl

GATT and the grain cartels

Under the banner of the "free market," national farm sectors are to be brought under top-down cartel control.

On April 7, ministers of the member countries of the General Agreement on Tariffs and Trade (GATT) met in Geneva and agreed to a framework proposal for the future of worldwide agriculture. Too few people are aware of the staggering implications of that Geneva agreement.

The official text of the GATT declaration on agricultural trade announces as policy, "consensus that agricultural policies should be more responsive to *international market signals* in order to meet the objective of liberalization of international trade and that support and protection should be progressively reduced and provided in a less trade-distorting manner."

The world's major trading nations are now agreed on "the long-term objective to establish a fair and market-oriented agricultural trading system." Specifically, the declaration declares it will target "*internal support measures*, including *income and price supports*, which directly or indirectly affect trade." Farmers, especially in industrial nations, will now be hit even more severely. But so will consumers.

There will be tough international "surveillance" measures established to police this global policy of "multilateral surveillance to ensure full compliance with commitments made in the negotiations."

For the short term, GATT members have now agreed to "ensure that *current domestic and export support and protection levels are not exceeded*." And the first cut in subsidy and protection levels is to be accomplished by next year, with GATT to

be notified of exactly what will be cut by Oct. 1, 1989.

There's a cute trick in all of this GATT rhetoric about "international market orientation." What is the "world grain market price"? On average, only some 11-15% of all grain grown in the United States or Western Europe is traded abroad. Fully 85-90% is consumed right at home. But this 11% is turning world food production on its head. There's a good reason: the grain cartel's monopoly on trade.

This GATT agreement is the result of a concerted effort since the mid-1980s, when an elite policy group, the Trilateral Commission, released a document, "Agricultural Policy and Trade: Adjusting Domestic Programs in an International Framework." That document, first circulated in April 1985, sounded the call for "market-oriented agriculture trade." Most of the recent policy in the European Community (EC) and the U.S. Department of Agriculture has been structured since, by the architects of this "free market trade" concept.

That's the policy of five top multinational grain-trading companies—Cargill (Tradax), Continental (Finagrain), Archer Daniels Midland-Toeffer, Ferruzzi-Central Soya, and Bunge. According to their concept, national food self-sufficiency must be eliminated and markets brought under top-down control of these companies.

Former EC Agriculture Commissioner Sicco Mansholt recently admitted to a group of West German farmers who lies behind the GATT policy: "It is the cartels, especially Cargill, but

also Bunge, ADM-Toeffer are important. . . . It has been like this for almost 20 years."

Following release of the Trilateral Commission's 1985 document, farm price supports, especially in Europe, began to plunge year after year. Two years of record drop in world grain reserves and prospects of drastic supply shortages into the next harvest year, have been deliberately ignored by the grain interests shaping the GATT policy.

The architects of the GATT policy are, not surprisingly, the same individuals behind the Trilateral report. The following were all members of the Trilateral Task Force: Art de Zeeuw, chairman, GATT Committee on Trade in Agriculture; Clayton Yeutter, U.S. Secretary of Agriculture; Helmut von Verschuer, EC Deputy Director General for Agriculture; and P.A. Wijnmaalen, assistant to EC Agriculture Commissioner Andriessen (until January 1989). The chief U.S. negotiator for the GATT agriculture policy until February 1989, and deputy secretary of agriculture for almost six years in the Reagan administration, was Daniel Amstutz, a senior executive with Cargill for 25 years.

If the Trilateral policy is implemented, it will mean the collapse of productive farming. As a Norwegian farmers' cooperative organization, Felleskjoepe, stated in the *Oslo Aftenposten* April 12, in an ad protesting the GATT policy, "If those regulations which make it possible to have agriculture in Norway are removed, we will become dependent on other countries' ability to supply us. . . . What if a crisis occurs, crop failures in the U.S. or such? Then we would face an acute global shortage of food. . . . Food is not a commodity comparable to cog-wheels or radio sets."