

## Agriculture by Robert L. Baker

### 'Free trade' is killing farmers

*The U.S. is promoting the Trilateral Commission's free-trade recipes, but some farmers are wising up.*

Last April, with great fanfare, U.S. Special Trade Representative Carla Hills and Secretary of Agriculture Clayton Yeutter unveiled a new U.S. "free-trade" plan, which they said would eliminate "trade-distorting" agricultural policies in major industrialized countries. The plan was submitted to the General Agreement on Tariffs and Trade (GATT).

The position of the United States in the GATT talks directly parallels the initial free-trade policy paper put forth by a Trilateral Commission-sponsored task force in 1985, which was headed up by Clayton Yeutter himself.

But it looks like the Hills-Yeutter proposals are running into trouble.

Farm leaders from the United States, Japan, and Western Europe met in Tokyo at a symposium on Nov. 14, sponsored by Japan's Central Union of Agricultural Cooperatives. Many denounced the idea of total liberalization of farm trade, and the gathering was unanimous in protesting the U.S. trade proposals submitted to GATT.

The president of the U.S. National Farmers Union, Leland Swenson, declared: "Free market proposals are too radical and unrealistic and would bring chaos to world agricultural economies."

He cited a recent study by the U.S. Department of Agriculture's Economic Research Service, which attempted to measure the likely effects of the Bush administration's proposal to dismantle domestic farm support programs.

The USDA's own report, Swen-

son said, predicted significant declines in farmer incomes in most of the industrialized nations, if the U.S. GATT proposal to dismantle farm programs were implemented. "Consumers will see large year-to-year swings in the prices of various food products due to the boom-and-bust nature of free market agriculture," he said. He predicted that "consumers will become more dependent on uncertain foreign supplies and more subject to the vagaries of a marketing system that is being concentrated into fewer and fewer commercial entities," if the U.S. plan is carried out.

The Japanese and the Europeans are equally opposed to the U.S. proposal, since they can see by looking, for instance, at the consolidation of the U.S. beef industry, how thousands of beef producers have been put out of business due to price-depressing imports into the United States of low-priced beef.

Japan would be hurt because it has relied heavily on the family farm system. Yeutter and Hills are trying to pressure the Japanese to reduce their trade barriers and allow more U.S. beef to enter the Japanese market, thus putting many Japanese beef raisers out of business, as has already happened to their counterparts in the United States.

Ironically, U.S. beef producers don't produce enough beef to meet the needs of U.S. consumers, and have been importing cheap beef from Argentina and Mexico for years. The U.S. producers have been told that their prices are depressed due to over-

production and reduced per capita demand. The Mexican National Cattle Confederation hopes to export 1 million head of cattle to the United States during 1989-90—almost twice as many as in 1988-89.

This is the free-trade nightmare that Yeutter is pushing, and many farmers and bureaucrats have been suckered into supporting it.

Even the Concentration/Integration Task Force of the national Cattlemen's Association came out in support of the suicidal free-trade line and recommended *against* government intervention to halt the cartelizing trend toward fewer and larger operations and integration of operations in different industry segments.

Sam Washburn of Indiana, the task force chairman, pointed out that the task force was not advocating structural change. "If we are committed to the free enterprise system, without government intervention and supports, then we must accept change and make individual decisions that will make the best use of our particular resources."

Because of the free-trade policies pushed by the Reagan and Bush administrations, today the United States finds itself the world's largest importer of oats, an importer of durum wheat because of short supplies, and an importer of both pork and beef because domestic production is below domestic consumption.

The USDA issued a report saying that "for the first time in many years, rises in retail dairy prices will surpass those of all food." These prices are climbing largely because milk production "unexpectedly" collapsed in midyear, the report says. At the same time that U.S. milk shortages are becoming headline news, the USDA is subsidizing the sale of milk products to France, one of the world's largest dairy nations.