

Editorial

Another Break With 'Free Trade' Rules

On May 13, President George Bush signed a new six-year farm law, which breaks with the premises of the 1996 radical "free markets" Freedom to Farm Act, long since called "Freedom to Fail" by farmers. The new law mandates various kinds of subsidies to farmers faced with the prices paid by the cartelized food and agriculture companies at historic lows. Farmers can get loans, price-deficiency payments, and other help to stay in business. The net income, in 2001, of all U.S. farmers combined was negative.

To be sure, the new law does not return to the traditional U.S. parity-pricing farm policy. Nor does the law place any restrictions on globalization, free trade, or cartel control. The one clause that would have prohibited giant meat packers—who also run mega-factory farms—from owning livestock for over 14 days, was stricken at the Conference Report stage.

But a fury of invective against the new law has poured forth from both advocates and victims of "free trade." Among the disparagements: Piggish, bloated, a budget-buster, anti-consumer, favoritist, and—what a horror—will cause overproduction of food. The most common complaint: The United States is not playing by the rules.

But that's just the point jubilantly praised, in an accurate, positive assessment of the new bill by the German National Farmers Union, part of the international federation of farmers' unions. In a May 7 press release, at the time the U.S. Senate voted up the bill, the Deutscher Bauernverband said, "With the new law, the U.S. government declared that the idea of free trade and totally liberalized agriculture markets has failed." The release said that the old farm bill trusted in total free trade, and the United States pressured its trading partners and the European Union in particular. When the Freedom to Farm Act was passed, there were favorable conditions on the market. Commodity prices have fallen very far since then.

The German farmers drew out the implication, that with the vote on the new farm bill, a change in American agriculture policy has occurred which must have consequences for European agriculture policy as well. The

U.S. shift refutes the position of the German government, which has been demanding a further reform in the European Union in the direction of free trade, the farmers union release noted.

The German farmers' point is well taken, not just for their nation, but for all nations: We are at the end-phase of economic breakdown of the period characterized by outsourcing, deregulation, and so-called "free" (rigged) markets and trade. So now it is a matter of urgency to resume policies which build up national economies, and serve the purposes of mutual-interest trade.

In line with this change of direction, was the March imposition of steel import tariffs by the Bush Administration. Also against "free trade," is a bipartisan move on May 15 in the Senate, asserting the right of Congress to retain its power to act to protect U.S. producers if they stand to be hurt from free trade—industrial, agricultural, or any kind.

This vote took place in the context of the ongoing Senate debate, on whether to support "fast track" draft legislation passed by the House by only 215-214 back in 2001 (H.R. 3005, the Andean Trade Preference Act). A deal had been made by Senators Baucus (D-Mont.) and Grassley (R-Iowa), to give the OK to "fast track" (newly misnamed "trade promotion"), but during the week of May 13, a killer amendment was offered by Senators Mark Dayton (D-Minn.) and Larry Craig (R-Idaho), to allow Congress to veto any part of any trade pact, if the pact changed anti-dumping laws designed to protect U.S. producers. The May 14 motion attempting to get rid of this "fair trade" amendment, lost by a large 61-38 margin. Later, the amendment itself passed by voice vote. Senator Craig said, lawmakers must retain the right to act, "on behalf of Americans who have been, are being, or will be harmed by continuing trade legislation."

Thus, the "fair trade" principle was again affirmed against "free trade"—as in the case of farmers, or the steel sector: There is a right of government to act to protect public and national interest. The rigged and losing game called free trade, is ending.