

**Institute For Agriculture and Trade Policy
PO Box 8445, Minneapolis, MN 55408**

For Immediate Release
June, 21 1988

Contact: Louise Guggisberg
612-827-6055

BRAINERD, MN - Farm leaders from U.S., Canada, Japan and the European Community meeting in Brainerd today called for major new negotiating principles to reduce international agricultural trade conflicts between nations.

The conference, "Solving Agricultural Trade Conflicts," was convened by twenty one organizations to precede the summit of agricultural ministers which is scheduled to begin Wednesday at the same location.

Speakers at the conference emphasized the need for agricultural policies which do not pit farmers in each country against each other. "The ideology of free trade is destroying farmers and rural communities throughout the world" declared Hon. Eugene Whelan, former Minister of Agriculture of Canada. "As each nation drives the price of farm products down, farmers are forced to produce even more just to cover their operating expenses. This in turn raises the costs to governments for storing farm produce and drives the price down still further", said Whelan.

Conference keynote speaker, Dr. Sicco Mansholt, former Minister of Agriculture in the European Economic Community and author of the Common Agriculture Policy, argued that increasing agricultural productivity means more and more nations are producing farm surpluses. The problem, he said, is no longer one of supply but of ensuring a fair price to farmers which cannot be maintained unless the supply is managed.

Dr. Mansholt noted that "agricultural surpluses in the developed nations and low commodity prices on world markets are destroying agricultural efforts of Third World nations."

The first day the conference featured presentations from the major agricultural organizations from Japan, the U.S., Canada and the European Community.

Tokuo Matsumoto, executive director of ZENCHU, which represents 5.5 million Japanese farmers, argued that every nation should have the right to protect its food supply. He pointed out that Japan presently imports 50 percent of its food needs. Matsumoto also noted that conventional price comparisons may distort the value of farms in different countries. He cited as an example Japan's experience heavy rainfalls. "Many hillside farmers raise rice in paddies which contain the water," he said. "If these farms are driven out of business then "communities could be flooded."

Wayne Easter, President of the Canadian Farmers Union, argued that, " the proposed U. S. and Canadian Free Trade Agreement will destroy the ability of supply management systems in Canada to function in the producers interest. Canadian Farmers are strongly opposed to this bilateral agreement," he said, "because it discards these management programs that have proven to be successful without the use of subsidies."

Don Knoerr, president of the Canadian Federation of Agriculture presented a mixed assessment of the agreement.

Dan McGuire, executive director of the Nebraska Wheat Board, discussing the US-Canadian agreement, cited potential constitutional conflicts and emphasized continued wheat producer opposition to the U. S proposal to GATT of phasing out all price support programs.

Jean Merle, of the Farmers Organization of Southeastern France described the European proposal to GATT which includes a call for multi-lateral negotiations of market-shares, world reference prices and global supply management.

On final day of the conference looked at specific solutions to the farm problem. Representatives from each of the presidential candidates were invited to present their views. Minnesota Agriculture Commissioner represented the Dukakis campaign, and Merle Hansen, a cattle rancher from Nebraska, represented the Jackson campaign.

Conference participants drafted a statement to the Trade Ministers who will be gathering in Brainerd later this week. The statement highlights the main points of agreement among the producer organizations represented at the conference.