

# WTO and Agriculture: The Next Round

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In the late 1980s, major U.S. church institutions, including the National Council of Churches and the National Catholic Conference, began to speak out on the growing threats being created by the rush to de-regulate and globalize food production and distribution. Concerned that this approach would create more hunger, more families without land, and more bankrupt family farmers, the religious community became very active in opposing one of the major tools developed to impose this new globalization model, the General Agreement on Tariffs and Trade.

GATT, which has been transformed into a World Trade Organization is a multi-country trade agreement that sets the rules for international trade and investment, including the restrictions on what local, state, and national governments can do to regulate corporations and banks that do business within their boundaries. For example, the WTO recently ruled that the state of Massachusetts couldn't boycott companies that did business with the brutal dictatorship in Burma since this was a violation of the principle of free trade. The WTO also recently ruled that European importing companies and consumers cannot give preferential access to their markets for bananas grown by small, poor producers over ones from the giant global companies like Chiquita.

In the late 1980s, the GATT agreement was being re-negotiated, including proposals to radically rewrite the rules of global agricultural trade. One of the major concerns of churches was the attempt to use the negotiations to drive down farm prices on a global basis. This push for lower commodity prices was lead by the United States government and its chief agricultural negotiator, former Cargill grain company executive Daniel Amstutz. The primary U.S. GATT proposal, called the Amstutz Plan, was put forward in July of 1987. It had four key elements. First, that the GATT should ban all farm programs, including all of those programs designed to help keep farm prices above cost of production level, like supply management. Second, that GATT should prohibit countries from establishing any import regulations or controls. Third, a ban on all export controls, even in times of food shortages in a country. Fourth, that the GATT should restrict the right of countries to enforce strict food safety laws.

Fortunately, through the efforts of the churches and many others, a number of the most objectionable aspects of the original U.S. government proposals were defeated. Unfortunately, a number of the most objectionable aspects were successfully incorporated into the final agreement, called the Marrakech Agreement and then adopted as national law by the U.S. Congress. The current farm crisis, with farm prices at record low levels, is a sign of the success of the Amstutz GATT agricultural proposal. Unfortunately, this success for Cargill and the other major agribusiness firms has been a disaster for family farmers, both in the United States and around the world.

But the GATT agreement is only one of the major tools being used to enforce globalization. The

World Bank and the International Monetary Fund have come under harsh criticism for their strong-arm tactics of forcing poor countries to de-regulate trade even further than required by the WTO. In addition, there are even more radical proposals, like the proposed Multi-Lateral Agreement on Investment, that would take away the right of countries to control capital flows in and out of their nations. The recent crisis in Indonesia is an example of the economic crisis being created by globalization in the Third World. The farm crisis in the United States is also an example of the economic crisis being created by globalization in the North.

Another of the more powerful tools being used to enforce globalization on U.S. farmers is the North American Free Trade Agreement which abolishes almost all regulations on trade between the three nations, no matter the circumstances. For example, U.S.-based agribusiness firms can set up gigantic factory farms in Mexico, hiring children for as little as 25 cents per hour and operating without environmental regulations. From these huge plantations they can ship fresh fruits and vegetables into the United States at prices far below the cost of production for a family farmer, especially farmers using organic or sustainable production practices. In agriculture, globalization imposed through NAFTA and the WTO means that companies willing to exploit children and the environment will eventually wipe out family farmers - unless we stop them.

The problem is fundamental to the system. The buyers of grain and other farm products want to pay the lowest price possible and will use globalization's tools, like the WTO and NAFTA, to pursue their interest. Farmers need prices at least at the level of the cost of production or they will go broke which is the basis of the current crisis. In a political process, the grain companies and other agribusiness companies will win unless farmers can mobilize enough support among other sectors of society to counter the money and clout of agribusiness. This may be beginning to happen, as farmers are joining political coalitions being created to stop globalization.

During this past winter a number of farm organizations have begun to speak out strongly against globalization. They have joined the opposition to the Clinton/Gore administration's attempt to expand NAFTA to the rest of Latin America. Farmers joined with environmental groups, churches, labor unions, and others to successfully urge Congress to deny President Clinton new "fast track" trade negotiations authority which would have accelerated the globalization process. At the same time, a number of farmers have taken matters into their own hands, blocking truck crossing points on both the Canadian and Mexican borders. While some of these protestors were looking for scapegoats and blaming other farmers, most of these protests were directed at the corporations and policymakers who had negotiated and imposed the NAFTA and GATT agreements.

An important distinction being made by farmers is the difference between globalism and globalization. Globalism is the idea that we all live on the same planet and that we need to cooperate to survive and thrive. Globalization is the idea that we all live in one market where the strongest deserve to thrive and the weakest deserve to go bankrupt. The goal of globalization is to make every single person a competitor with every other. The goal of globalism is finding ways to cooperate to solve the ecological, social, and economic challenges that we face as a whole planet.

In spite of these farmer protests and the worsening conditions in rural America, the Clinton/Gore administration seems bound and determined to continue to push their globalization agenda. Like

19th century barbers who lanced blood out of patients when they were sick, and then took even more blood when the patient didn't get better, globalization advocates want to take more blood; they want to impose even more de-regulation to see if that will make things better.

It won't, but a lot of blood will be shed literally and figuratively in the process. We are already seeing a rise in farm bankruptcies, foreclosures and suicides. The church community is again on the front line of the farm crisis, ministering to families and to the whole community. The church has to again get in the front lines of those demanding a change in trade and economic policy. When the World Trade Organization comes to Seattle in November of 1999 to try to start a new round of trade liberalization, a new round of blood-letting, we need to be there to say no to more globalization and yes, a very loud and spiritual yes, to globalism.