

## Agriculture by Robert Baker

### Japan is top buyer of U.S. food

*Bush and the Democratic "five pack" are bashing Japan to avoid the real issues before the U.S. economy.*

**W**hile the Bush administration demands that Japan and Korea reduce agricultural trade barriers and tariffs in order to increase U.S. farm exports, the fact is that the countries with the highest agricultural trade protection are also the countries that spend the most money on U.S. farm products.

Traditionally, the largest importer of U.S. rice was Iraq; however, due to the trade sanctions, Iraq is no longer a customer. U.S. Trade Representative Carla Hills traveled to South Korea on Nov. 12, 1991 and demanded that it open its markets. She was told by Foreign Minister Lee Sang-Ock that South Korea would protect its farmers and prevent rice imports. On Nov. 26, some 18,000 Korean farmers and students protested to make sure he would live up to his word.

In hopes that Japan would open its rice market to U.S. rice imports, Hills, speaking in Tokyo on Nov. 16, said, "If Japan finds itself unable to negotiate in agriculture, then I think Japan stands in large measure to blame for causing the Uruguay Round [trade talks] to fail." Japan has refused, saying it needs to maintain self-sufficiency in this staple for national security reasons. Thousands of farmers demonstrated against any moves to pry open Japan's closed rice market.

The World Agricultural Outlook Board of the U.S. Department of Agriculture released data on Dec. 3, showing that for fiscal years 1989, 1990, and 1991, Japan, the European Community, and the two East Asian countries Korea and Taiwan, all countries with high agricultural trade pro-

tection, were the first, second, and third largest purchasers of U.S. agricultural exports. The USDA forecasts that this trend will continue for fiscal 1992.

Japan is the largest importer of U.S. beef, veal, pork, and grain sorghum, and the second largest importer of U.S. corn and soybeans. Japan has purchased on average, during the last three years, about \$8 billion, or 20%, of total U.S. agricultural export value, making it the largest purchaser of U.S. agricultural products.

During calendar year 1990, Japan purchased 55% of U.S. beef and veal exports (192,545 metric tons), and 53% of U.S. pork exports (43,499 tons).

In the area of grain in 1990, Japan purchased 41% of U.S. grain sorghum exports (2.8 million tons), 27% of U.S. corn exports (14 million tons), 23% of U.S. soybean exports (3.5 million tons), and it was the third largest importer of U.S. wheat. Only the former Soviet Union purchased more corn and soybeans, but it is now broken up into new republics, leaving Japan in first place as the largest importer of U.S. corn and soybeans.

It is ironic that the U.S. administration would find fault with the Japanese for not buying more U.S. beef, since the United States imports 200% more beef and 300% more pork than it exports. In other words, U.S. producers are being put out of business by "free market forces," and therefore can't meet the requirements of U.S. domestic consumption, yet the Bush administration is trying to destroy the Japanese beef producers with cheaper

U.S. imports, using the same "free market forces" that are destroying U.S. producers.

The European Community (EC) is still smarting from Bush's attacks against Europe's "iron curtain of protectionism." Again, the facts and figures debunk the propaganda and disinformation of the free trade crowd, and prove the contention of 19th-century American System economist Henry Carey, that protection not only safeguards the prices of domestic producers, but that as protective tariffs increase, imports also increase.

In 1990, the EC purchased 17% (\$6.9 billion) of U.S. agricultural exports, making it the second largest consumer of U.S. exports.

The EC imports twice as many agricultural products as the United States does (\$63.4 billion against \$31.3 billion in 1990). Inversely, American farm exports are larger than those of the EC, (\$45.9 billion against \$39.7 billion).

Concerning agricultural food products coming from the Third World countries, the EC imports twice as much as the United States (\$36.8 billion against \$18.9 billion), while the U.S. exports more to those countries than the EC does.

And finally, concerning bilateral EC-U.S. trade, the French newspaper *Le Figaro* reports that the trend is continuing. In 1990, EC imports of U.S. agricultural products were over 7.5 times as much as EC exports to the U.S. (\$6.9 billion against \$0.9 billion).

Thanks to the Bush administration's "free trade" policies, the U.S. Department of Agriculture reported in 1990, that 300,000 additional U.S. farmers would be forced to leave farming by 1995. Isn't it time to drop free trade and return to the American System of protection and economic progress?