

Agriculture by Robert L. Baker

Trade war over Japan beef imports

Free trade advocates herd Australia, United States, and Europe into competition for beef exports.

Australia, long held up by Anglo-American interests as the low-cost free trade model for world agriculture, with the most deregulated domestic price mechanisms, is now in the throes of a galloping farm crisis.

The nation's farmers are being devastated by the free trade practices pursued by the world food cartel giants—ConAgra, Cargill, Louis Dreyfus, and others—coming to dominate all farm commodities. Exporting food has become high priority for the international banking institutions, such as the International Monetary Fund (IMF) and World Bank, to continue to exact debt service on billions of dollars of unpayable debt.

In this context, one of the leading issues promoted by free trade advocates is beef trade war between the United States, Europe, and Australia over how to capture market share in Japan.

Bruce Stanton, an officer of the Australian Meat and Livestock Corp., told the U.S.-based *AgWeek* magazine on March 16, "Our ambition is to maintain . . . 55% . . . a majority" of beef export share to Japan. In March, meetings of the United Graziers Association in Queensland, a top farm state, focused on how to keep market share. Free-trade advocates whipped up fear that European Community beef would be dumped in Japan.

The export-or-die pressure on Australian graziers comes from the beef cartel companies handling the trade (linked to Cargill and ConAgra), and IMF banking policy.

Both Australian farm debt and the national debt is high, and Australian

ranchers' needs for debt repayment cash appears to have prompted an unusually high slaughter rate of the cow herds, according to the Cattle Council of Australia Industry Association. The group reports that the Queensland kill in February was 50% above 1991 levels, which itself was an historic high.

The sell-off to repay farm debt has drastically reduced interest in restocking beef/cow herds, and this is leading to smaller herd sizes.

The March 26 issue of the *Queensland Country Life* carried a plug for free trade under a banner headline "Trade War Looming," which called on Australian farmers to gear up for trade war. "Australia must match the United States in beef fight for Japan," it said.

According to the article, Australian beef producers are being told that "increased American competition will demand that Australia intensify its campaign to increase, or even just hold, its share of the expanding Japanese beef import market."

Farm producers all over the world buy into the "free trade" line that the lack of competitiveness is the reason why they can't raise food profitably. But this is just "cartel trade talk," a smoke-screen to cover up the destruction of the world beef herds by usurious looting.

The method of operation of international bankers, in cooperation with the giant food cartels, is to loot producers by importing lower-priced food products from one country and dumping them into another country, forcing down the prices the cartel pays in both countries. (Retail prices which

the cartel charges to consumers, however, remain high.)

Follow the method used by the cartels. The following statistics reveal the free trade looting game.

According to an August 1990 U.S. Department of Agricultural report entitled "The World Beef Market—Government Intervention and the Multilateral Policy Reform," the United States is the world's largest beef importer, accounting for approximately one-third of world beef imports since 1984. In other words, the United States doesn't produce enough beef to feed itself.

To make up the beef shortage in the United States, Australia and New Zealand supplied over 80% of U.S. beef imports.

Now that Japanese beef stocks have fallen, Carla Hills, the U.S. Trade Representative for the Bush administration, as well as U.S. beef producers, are bashing the Japanese for not importing more U.S. beef. On April 1, Japan's beef tariff was lowered to 60% from 70%. Now, the United States, a net importer of beef, is putting Japanese producers out of business with lower-priced U.S. beef.

The U.S. beef producer gets the same low-priced beef import treatment with Australian beef imports.

During 1987 to 1989, the United States imported more beef from Australia alone than it exported to the entire rest of the world. Total U.S. beef exports to the world during the three years averaged 787 million pounds per year, while total beef imports from Australia alone during the same time averaged 965 million pounds per year—122% higher.

Also during that same three-year period, U.S. beef exports to Japan averaged 400 million pounds per year, at the same time that the United States imported 240% more beef from Australia than it exported to Japan.