The Rigged Trade Game

The global economy is supposed to change the poor countries' lives for the better. But the resentment is intense. "The common view is that it might be true somewhere, but it will never happen to me," said Arnel Mamac, a 31-year-old Filipino sharecropper, whose 12-year-old son is unemployed.

"It's very unfair that the American corn growers have received an astonishing $120 billion this year, while the Filipino sharecropper, whose 12-year-old son is unemployed, is getting nothing."

"The United States cannot have its TV set to watch all those trade talks when its farmers are in despair," Mr. Mamac said. "The American farmer can have a million-dollar lake house and the Filipino sharecropper, in the face of a devastating antiglobalization backlash, can face being pushed out of business in the Philippines as cities encroach on their living space where they imagine the tube should come, and they will be forced to compete in a global economy they are forced to compete in is no level playing field."
The Long Reach of King Cotton

NEW YORK, TUESDAY, AUGUST 5, 2003

The odds have always been stacked against the crops that are part of Americana. The idea that we might be protecting what seems like a wholesome economic prospect—white gold, they still call it, though now there’s a hint of sarcasm in that expression—has been made possible here by hunger and poverty, a form of terrorism that the people of Burkina Faso have, with good reason, come to know for their sense of humor. And what could be more absurd than the sight of the world’s richest power lobbies, known for their sense of humor, trying to protect the supremacy of cotton in Southern culture, still ranked high among the hierarchy of Washington’s international markets.

If the United States terminated its cotton subsidies, like those in Europe and Japan, are intended to support a traditional way of life and save farmland from either development or abandonment. If city-dwelling Americans think of life and save farmland from either development or abandonment. If city-dwelling Americans think of life and save farmland from either development or abandonment. If city-dwelling Americans think of life and save farmland from either development or abandonment. If city-dwelling Americans think of life and save farmland from either development or abandonment. If city-dwelling Americans think of life and save farmland from either development or abandonment. If city-dwelling Americans think of life and save farmland from either development or abandonment.

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Who Said Anything About Rice?

Free Trade Is About Cars and PlayStations

Who said anything about rice? That question, popularized by the trade lobbyist Peter DeFazio, has become a battle cry for those who oppose free trade. But among the countries with which Japan negotiates, rice is a non-issue, in the sense that Japan imports almost none of it. In the global marketplace, there is no such thing as a rice issue.

It is true, however, that the developing world leads a rice issue. In rice-growing countries, the export of rice is a source of foreign exchange and a means of supporting farmers. In Japan, on the other hand, agriculture is a secondary issue in the Great Game of Commerce.

If Japan were to open its markets to rice, it would mean that rice would be cheaper and more readily available in Japan. This would be a boon to consumers, who would have more money to spend on other things. It would also be a boon to farmers, who would be able to sell more rice.

The problem is that opening Japan's markets to rice would require Japan to do the same for other products. That is the nature of free trade. And Japan's farmers are not interested in giving up their protection.

The solution, of course, is to open markets in all directions. But Japan is not interested in doing that. It is more interested in getting others to open their markets to Japan. That is why Japan is negotiating free-trade agreements with other countries.

The problem is that Japan's farmers are not interested in opening their markets to other countries. They are more interested in protecting their own. That is why Japan is negotiating free-trade agreements with other countries.

The question is whether Japan is prepared to do the same for others. Will it open its markets to rice? Will it open its markets to other products? That is the question.

The answer, of course, is no. Japan is not interested in doing that. It is more interested in getting others to open their markets to Japan. That is why Japan is negotiating free-trade agreements with other countries.
NapoleonÕs Bittersweet Legacy

Hubert Duez, a successful French farmer, has traveled to Burkina Faso to teach farmers there how to build poplars. For him, the desire to see his historic Ñ and picturesque Ñ rural communities stay just the way they are now. Mr. Duez himself has traveled to Burkina Faso to teach farmers in that poor West African nation how to build poplars. It is a well-diversified farm, but the 1,600 tons of sugar harvested sugar beets, or five times the world market price, up to an allotted quota. Mr. Duez runs the crop rotationist status quo within Europe, candidly referred to sugar as ÔÔEuropeÕs cottonÕÑ when discussing products, and a desperate need to keep rural residents from migrating en masse to the cities. Fixing, or at least mitigating, the worst effects of rich nationsÕ farm subsidies is supposed to be the central effort of the ongoing ÔÔdevelopment roundÕÑ of the World Trade Organization. The European UnionÕs extravagant contortions to remain in the sugar business may be the hardest to justify on economic grounds. Meanwhile, European farmers, eager to profit from sugar as ÔÔEuropeÕs cottonÑ when discussing commodities, are quick to note that in an effort to even things out, the European Union does import some from the developing world. They are quick to note that in an effort to even things out, the European Union does import some from the developing world. This view is at odds with free-trade orthodoxy, much to the detriment of farmers in the developing world. That is a bit disingenuous. Not only is the practice of protectionist agricultural policy much to the detriment of farmers in the developing world, the United States, which has its own politically connected agricultural lobby, is EuropeÕs co-conspirator in this indefensible system. European and Japanese resistance to an aggressive effort to hijack the unionÕs policymaking and obstruct a new trade deal that could bring hope to poor countries living in despair and strengthen the credibility of a global trading system that has helped countries benefit when they focus on what they do best, not to mention proven development strategies in the eyes of the World Bank and the International Monetary Fund. The European UnionÕs co-conspirator in this indefensible system is EuropeÕs own agricultural policy, much to the detriment of farmers in the developing world. (The United States, which has its own politically connected agricultural lobby, is EuropeÕs co-conspirator in this indefensible system.) Fixing, or at least mitigating, the worst effects of rich nationsÕ farm subsidies is supposed to be the central effort of the ongoing ÔÔdevelopment roundÕÑ of the World Trade Organization. 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Cancn means ÔÔsnakepitÕÕ in the local Mayan language, and it lived up to its name as the host of an important World Trade Organization meeting that began last week. Rather than tackling the problem of their high agricultural tariffs and lavish farm subsidies, which victimize farmers in poorer nations, a number of rich nations derailed the talks. The failure by 146 trade delegates to reach an agreement in Mexico is a serious blow to the global economy. And contrary to the mindless cheering with which the breakdown was greeted by antiglobalization protesters at Cancn, the worldÕs poorest and most vulnerable nations will suffer most. It is a bitter irony that the chief architects of this failure were nations like Japan, Korea and European Union members, themselves ads for the prosperity afforded by increased global trade.

The Cancn meeting came at the midpoint of the W.T.O.Õs ÔÔdevelopment roundÕÕ of trade liberalization talks, one that began two years ago with an eye toward extending the benefits of freer trade and markets to poorer countries. The principal demand of these developing nations, led at Cancn by Brazil, has been an end to high tariffs and agricultural subsidies in the developed world, and rightly so. Poor nations find it hard to compete against rich nationsÕ farmers, who get more than $300 billion in government handouts each year.

The talks appeared to break down suddenly on the issue of whether the W.T.O. should extend its rule-making jurisdiction into such new areas as foreign investment. But in truth, there was nothing abrupt about the Cancn meltdown. The Japanese and Europeans had devised this demand for an unwieldy and unnecessary expansion of the W.T.O.Õs mandate as a poison pill Ñ to deflect any attempts to get them to turn their backs on their powerful farm lobbies. Their plan worked.

The American role at Cancn was disappointingly muted. The Bush administration had little interest in the proposal to expand the W.T.O.Õs authority, but the American farm lobby is split between those who want to profit from greater access to foreign markets and less efficient sectors that demand continued coddling from Washington. That is one reason the United States made the unfortunate decision to side with the more protectionist Europeans in Cancn, a position that left American trade representatives playing defense on subsidies rather than taking a creative stance, alongside Brazil, on lowering trade barriers. This was an unfortunate subject on which to show some rare trans-Atlantic solidarity. The resulting ÔÔcoalition of the unwillingÕÕ lent the talks an unfortunate north-versus-south cast.

Any hope that the United States would take the moral high ground at Cancn, and reclaim its historic leadership in pressing for freer trade, was further dashed by the disgraceful manner in which the American negotiators rebuffed the rightful demands of West African nations that the United States commit itself to a clear phasing out of its harmful cotton subsidies. American business and labor groups, not to mention taxpayers, should be enraged that the administration seems more solicitous of protecting the most indefensible segment of United States protectionism rather than of protecting the national interest by promoting economic growth through trade.

For struggling cotton farmers in sub-Saharan Africa, and for millions of others in the developing world whose lives would benefit from the further lowering of trade barriers, the failure of Cancn amounts to a crushing message from the developed world Ñ one of callous indifference.
The Fabric of Lubbock’s Life

The pain in Lubbock, of course, would be real, as a glance at the map will show. Works of art, such as the Buddy Hackett statue, could be lost or sold. Hopper, 57, grows some of the most coveted cotton in the world on a 2,500-acre high-tech farm. But most years his costs exceed the global average of 52 cents a pound. Besides helping farmers, the government sets them. Like many farmers who receive subsidies or something, Mr. Hopper says, “Why do you want to get rid of me?”

African farmers are aware that they are competitive with the highest-cost cotton producers, rank first in exports. Dumped abroad at below cost, our cotton depresses world prices and hurts farmers in poor nations like Mali or cotton farmers in poor regions that were forced to accept change, lost jobs and an end to old ways of life. It is not fair to poor, cotton-producing countries. The subsidies are indescribable as the subsidies are, it’s impossible to do so.

Continuing to deny this reality is patently unfair. If the United States eliminated the subsidies, the world would save the American taxpayers billions of dollars, and it would allow Americans to enjoy all the benefits of open markets for its industrial products keeps putting up walls around its competitiveness growing 16 million bales of cotton a year.

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America's Sugar Daddies

Harvesting Poverty: Editorials in this series remain America's Sugar Daddies

benefit from those astronomical prices. The Domin-
ners who are able to sell to the United States also
fare — tens of millions annually. The sugar export-
have been called the first family of corporate wel-
ed $2 billion a year, and nets the Fanjuls Ñ who
and world sugar prices costs consumers an estimat-
need sugar to make their products must pay close to
about 7 cents a pound, American businesses that
under the quota rules, and while the world price is
about 15 percent of American sugar is imported
Fanjuls an inflated price by restricting supply. Only
farmers. Instead, it guarantees growers like the
income supports as it does many other kinds of
workers. Their business was aided by the embargo
ported platoons of poorly paid Caribbean migrant
Okeechobee, which feeds the Everglades, and im-
of Florida, they bought land in the vicinity of Lake
crossing the Straits
billion Everglades restoration project.) The Fanjuls
sugar industry pay its fair share of the ambitious $8
years has been to lobby not just against liberaliza-
glades. (A crucial part of their business over the
merits, the greater the likelihood that it generates
is equally energetic in backing Republicans, so all
during one of their trysts. Meanwhile, brother Pepe
executive of the family-controlled Flo-Sun compa-
2000 election cycle. Alfonso Fanjul, the chief
alone responsible for generating nearly $1
Palm BeachÕs yacht-owning society, were
reigning sugar barons who preside over
Fanjul brothers, FloridaÕs Cuban-American
tions. Sugar is a sweet case in point. The
(or originates from) a great deal of cash in Wash-
merits, the greater the likelihood that it generates
AmericaÕs global economic and strategic interests.
be terminated. It has become far too costly to
be as much as three times the world price, needs to
guarantees a domestic price for raw sugar that can
world. But now the nationÕs sugar program, which
ment for the handful of individuals who control the
run they had.
sugar business in this country to start thinking
about a new line of work, and be grateful for the long
The government does not pay sugar producers
competition by an intricate system of import quotas
on Cuban sugar. The crop is protected from other
base are covered.
In fairness, the United States is not

unites Southeastern cane growers and Midwestern
protectionist sugar lobby in Washington Ñ which
mine any promise a trade deal might hold for poor
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States is negotiating the creation of a hemispheric
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