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FOOD FIGHT

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I was at the World Trade Organization (WTO) meeting in Seattle in November 1999 in the streets amidst the broken bones, the rubber bullets and the thousand gallons of teargas. After the meeting, the WTO decided to meet next in the dictatorship of Qatar in their city of Doha, and in 2001 that is what they did. They called it the "Doha round of *talks*."

In September of 2003, at the fourth ministerial meeting of the Doha round of the WTO in Cancun, Mexico, the United States and the European Union put forth a framework for agricultural trade. A group of 21 nations lead by India, Brazil and South Africa (G-21) issued a counter-proposal to the joint U.S./E.U. agricultural framework. Their counter-proposal sought the reduction and elimination of agricultural subsidies in the EU and USA.

Events outside took on a greater dimension than at the Seattle ministerial when Korean farmer Lee Kyung Hae committed suicide by self-immolation at the police barricades with his last words, "The WTO kills farmworkers." Despite the millions of dollars in security forces surrounding it, having only teargas and truncheons at the ready, the thousands of heavily armed guards looked on helplessly as Lee, so obviously driven to despair, died in front of them.

The G-21 counter-proposal was immediately followed by a stalemate of the conference. It seems unavoidable to conclude that the representatives sent there from the old imperialist countries were in no way prepared to actually *negotiate* in good faith but rather only to dictate demands. It is their former role as imperial powers and the former roles of many G-21 countries as subordinate colonies that makes this such a politically charged issue. This overshadowing political dimension could be easily under-mining and impartial analysis of the situation. The EU/US frame-work was interpreted as extraordinarily unfavorable to the other nations. The G-21 counter-proposal was probably intended as a veiled move to stalemate the conference intentionally. If taken on face value, however, both positions advance the idea that the outcome of subsidization is wrong and that its removal is beneficial.

Agricultural subsidies have been a fixture of trade for northern industrialized countries since the Great Depression and President Franklin Delano Roosevelt's 'New Deal' programs. Europe and America are still responsible for the largest portion of agricultural subsidies in the world while it is common for G-21 nations, many of whom are former colonies of imperial nations, to tax their farmers, as there are few alternative sources of government revenue available to them.

It is true that a traditional aim of subsidies, as a tactic in international trade, is to monopolize a market. By defraying the cost of a commodity it allows a supplier to offer their commodities at a lower price and still maintain profits. In theory, it is the intention of those engaging the subsidies to use this artificial advantage to eliminate competition for market share. It is not a difficult argument to make that subsidies on exported food makes the production of food in recipient nations unsustainable. Once competition is eliminated, the prevailing supplier will have a pure monopoly and can raise prices immune from the buyers' ability to substitute an alternative supplier's commodity, and so the reason for continuing the subsidy is lost.

It is obvious that by defraying the costs of exported food the subsidies undermine wholesale prices of food commodities in the importing country, and when a sufficient volume is imported will bankrupt indigenous agriculture. Dependency upon imported food raises the specter of food insecurity because the supply and price of food available are then determined outside a sovereign political influence by external interests that may not be benign. It seems reasonable for any government to wish to be secure in its nation's food supply so as to not be subject to political blackmail and subordination as a colony (or 'neocolony') of the new imperialism.

However, the persistence in the importing countries of 70 years of agricultural subsidies exceeds any rational explanation as a humble tactic to eliminate competition in targeted international markets. The persistence of agricultural subsidies can be explained as the outcome of another agenda at play that departs from the general pattern of imperial conquest. This would seem to present an enigma to both the proponents of traditional economics and neoliberal globalization as if there is something obscured but fundamentally essential to the system taking place.

Those who substitute the outcome of the market for all other measures of human morality are *neoliberals*, and their ideology of *Neoliberalism* advances the idea that the market is the perfect means of settling all matters in human society.They are practitioners of "faith-based" economics. Neoliberals place responsibility for all human affairs, with religious convocation, in the unseen hands of 'The Market,' and believe that all that happens in their imaginary free-market is a result of mysterious market forces. They feel no need to take responsibility for anything as everything is reducible to "the will of the market," and no matter the brutality of the outcome, it is in their assessment "the best of all possible outcomes." This is in keeping with their perverse ideology that the unmodified outcome of their 'market forces' is the very measure of morality itself.

Neoliberals have substituted the definition of morality in which the conclusion precedes the argument, and that all consequences of unregulated human activities are natural and therefore moral. By making such an argument, however, they have dispensed with the idea of morality itself. The Nazis argued in favor of Social Darwinism with similar passions and outcomes.

The idea of 'Globalism' was spawned by Neoliberalism in which the concept of the power of the nation shall be subordinated to the global market — that economics rather than politics or force of arms determines the course of human events, that international trade through the magic of 'freed' markets and 'pure' capitalism unencumbered by tariffs or trade barriers, would establish natural equilibriums of trade with the result of a new reign of prosperity immune from perturbations and classic boom and bust cycles. These new theories of globalism are indistinguishable from the old theories of wild, unregulated trade that died in 1929 with the collapse of the U.S. stock market.

To remove subsidies from all trade, even food, both internationally and domestically, is fundamental to the ideology of globalism and the neoliberalism that spawned it in the 1970s. The outcome is predictable because unregulated trade transpired before. We all must eat, so this is where the neoliberal ideological rubber meets the pavement of reality: *What volume of food would be produced as the response to only the population's ability to pay for it under the present market situation after the removal of all subsidies and government interference?*

It is stating the obvious that the amount of food produced and sold is directly related to the ability of humans to pay its price. It follows that the lowering of prices allows more food to be purchased by the same available amount of money and results in an increase in the volume sold. It is the subsidies that are directly responsible for both the low price of food and for its abundance, such as it is. It must be conceded that the persistence of subsidies beyond the requisition of a monopoly, though destructive to agricultural independence, is a fundamental material condition whose outcome increases the volume of food commodities available.

The question needs to be asked: "What will happen if agricultural subsidies around the world are eliminated?"

The majority of subsidies are for staples such as grain, soy and other basic commodities that act as a foundation for the production of higher value food commodities such as meat, bread or candy. By increasing the base price of raw materials even slightly, the cost of finished commodities is increased by many times more.

Since people are compelled by hunger to redirect their income away from things less essential to survival like communications, sanitation or medicine for their children in order to pay for any increase in the price of food, it can be stated that the market price of food is flexible. It follows that an increase in price of any necessity, such as food, can be large and the amount sold will not decline sharply until the price exceeds the ability of people to pay. Commodities that have price flexibility are the most attractive investments to capital for the purpose of monopolization because of the obvious opportunity to increase profit rate of capital investment. Left to its own guidance, participants in an unregulated market will tend to monopolize trade, especially in necessities. So even a modest increase in the price of wheat, for example, is going to cause a geometrically greater contract-ion of the economy and concurrent increase in the amount of human misery than an increase in the price of Teddy Bears or golf clubs.

In the market of commodities, it is observable that for any given commodity that as the price increases, the inclination of the customer to buy declines. Professional marketers prepare tables recording the volume sold correspondent to the price, and they use those tables to project the probable number sold at hypothetical prices by filling in the gaps between the points of the graph, making a smooth curved line: the market curve. Profit equals price less the cost, so the price of a commodity equals the cost plus the profit. It is in the interest of the seller to make the greatest profit for the least cost and realize the highest rate of profit.

The costs of producing a commodity can be segregated into labor, materials and the overhead equipment needed to produce them. Some costs must be met independent of the number of units produced; these costs are fixed or overhead costs. As more units are produced, the overhead costs are divided over a larger number of units, lowering the relative cost per unit, and conversely, the fewer that are produced the greater the per unit cost.The volume sold, multiplied by the price, equals the total revenue less the total cost, equals the total profit.

Referring to the graph of a hypothetical commodity, where the mentioned tendencies are in play, the market curve we observe is conceptually calculable. When price is zero, consumption is highest, but not infinite; like the air we breathe, the price is zero but the amount we breathe is never more than we need.Air is supplied without cost to humans anywhere upon the surface of the Earth. Material commodities have a cost as they are only produced at the expenditure of a measurable sum of human labor in manufacture, cultivation, transportation, and so on. So to supply a market with a commodity priced between zero and cost of production is the act of someone other than the buyer paying the cost of production. In the case of subsidized exported food, the cost is ultimately borne by taxpayers of the exporting government.

Under the conditions stated above the price of food commodities will rise on a worldwide level in proportion to the subsidies removed. This may indeed stimulate the domestic production of food commodities as their apparent profitability is restored. This, however, will only be a temporary feature and will not balance the need of a population for food with their ability to buy it. The best that can be expected from an unregulated market is to set the price of any commodity to a point somewhere between the maximum total profit available and the maximum profit rate (depending upon the degree of monopolization).

As price increases, the volume sold declines — if not at first by lowering the inclination of people to buy, then in the end by exceeding their ability to buy. If we follow the graphed line to the right, away from 100% subsidies (or "free" commodities) it reaches the point where the cost of production is met by income from sales at the maximum production break-even point. We can assume this is the natural price at which a society of producers would consume a commodity. It is also mathematically provable that only at this point do both producers receive the financial means to pay costs of production, and the workers receive the financial means to buy the commodities they produce, since at this point combined wages equal combined prices. It is easy to argue that at this point there is no obstacle to a full employment economy at family wages.

As we follow the graph further to the right, we notice that the price of the commodity exceeds the cost and the difference is named 'Profit'. The ratio of money invested (total cost) divided by the profit generated is the profit rate. Both the total amount of profit and profit-rate increase for a time as the price is raised and volume declines. Bear in mind that the portion of volume that workers have the means to buy with their wages decreases proportionately to the increase in profit because their combined wages are less than the sum of prices, as wages are alienated from profit.

Further up the curve of price there is the point where the total amount of profit is maximized — the natural point at which a set of suppliers, not in formal collusion with each other, will tend to set their prices — and the point at which total wages are least able to buy total production. When there is more than one supplier of commodities that can be easily substituted for others in a market, those suppliers must share the market. When one supplier acts to obtain a larger portion of a market by lowering prices and selling a greater volume, it is considered competing for market share. Competition is described by neoliberal ideologues as an enduring feature of capitalism, when in fact