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Editorial

## Cow Politics

The Australian trade minister, Mark Vaile, pointed out the other day that a typical cow in the European Union receives a government subsidy of \$2.20 a day - more than what 1.2 billion of the world's poorest people live on every day. Some experts say the developed world could lift 140 million people out of that mire of poverty if it really reformed the way it managed agricultural trade.

So why is the current round of trade negotiations coming down to the wire, as usual? Will Europe, Japan and America actually keep the promise they made four years ago in Doha, Qatar, to slash their subsidies to farmers? Such a move would finally begin the long-delayed dismantling of a distorted program that has helped rich farmers in the developed world at the expense of poor farmers in the developing world.

But in these last few weeks before the big World Trade Organization meeting in Hong Kong, where negotiators are supposed to reach a deal, attacks and counterattacks are flying. The big industrialized nations are leaving no stone unturned in their quest to keep protecting their farmers. The United States trade representative, Robert Portman, took a big step toward doing the right thing earlier this month when he proposed that the United States would slash allowable farm subsidies by 60 percent if Europe and Japan would cut their subsidies by 83 percent. (The percentage is higher because European countries and Japan have higher subsidies.)

Given all the noise the British prime minister, Tony Blair, and his European colleagues have made about the need to "make poverty history," you would think that the Europeans would jump at the American proposal. Think again. In Europe, farmers are apparently terrified of having to compete without the government around to hold their hands.

So the European Union has not only not made a meaningful counteroffer, but France - the worst of a bad lot - is also doing everything it can to get in the way of even the anemic talk of compromise from the European Union's trade chief, Peter Mandelson. "If you don't believe in trade, then why are you a member of the W.T.O.?" a frustrated Mr. Portman asked rhetorically. Funny, we were just wondering that ourselves.

The developed world funnels nearly \$1 billion a day in subsidies to its farmers, encouraging overproduction. That drives down prices and leaves farmers in poor nations unable to compete with subsidized products, even within their own countries. In recent years, American farmers have dumped cotton and other products on world markets at prices that do not begin to cover their cost of production. Europe's system is even worse; the United States' farm subsidies are only a third of Europe's.

It is past time for European leaders to match their actions to their lip service about free and fair trade. A cow in France shouldn't make more than a farmer in Burkina Faso. That is just shameful.

But let's not let the United States government entirely off the hook. The lawmakers in Congress who coddle rich American corporate farmers - often to the detriment of small family farmers - are not helping things. The Senate Agriculture Committee just voted to extend the subsidies paid to growers of cotton, rice and other commodities until 2011, subsidies that were supposed to expire in the 2007 farm bill. This political move is made worse by sneaking the subsidies into a budget bill rather than properly debating them as part of the farm bill.

The Bush administration has done a good job so far in opposing these myriad forms of agribusiness welfare. The United States trade negotiators say the Senate Agriculture Committee's move will make their job at the trade organization talks more difficult. It's hard to preach the free trade gospel abroad when lawmakers at home are busily taking care of their own special interests.