

Agriculture by Suzanne Rose

Nazi economics used to back free trade

Hubert Humphrey Institute director Ed Schuh rationalizes support for the North American Free Trade Agreement.

The keynote speech at the annual "Agriculture at the Crossroads" conference, held in Lincoln, Nebraska on Nov. 8, was a defense of free trade in terms of Nazi slave-labor economics. The speaker was Dr. G. Edwin Schuh, dean of the Hubert Humphrey Institute of Public Affairs, based at the University of Minnesota, which agency was founded and funded in the 1970s by the cartel food companies to spin out strategies in their own interests.

Schuh's performance was a study in the use of warmed-over 1930s fascist arguments for why today you should be happy to allow cartel food companies to control the world's food through "free trade" and other means of domination. At the same time that Schuh was spinning theories in Nebraska, George Bush, Agriculture Secretary Edward Madigan, and Trade Representative Carla Hills were in Europe to insist that the European Community knuckle under to the cartel companies' demands for free trade in agriculture under the General Agreement on Tariffs and Trade (GATT). In this light, it is instructive to review the arguments given by Schuh, the ideologue for the cartel.

Schuh's topic was "The North American Free Trade Agreement and Its Impact on Farmers and Ranchers." To defend NAFTA, Schuh used a jumbled economic theory harking back to the discredited works of the 19th-century British East India Company economist David Ricardo. Otherwise, Schuh just advanced assertions about the utility of increased productivity based on cheap labor, in the tradition of Hitler's "Arbeit macht

frei" ("Work makes you free").

Schuh acknowledges that under NAFTA, the overall national output of food may decline. But, he says, what will increase is output in subsectors most appropriate to that economy. "The hallmark of freer trade is an increased division of labor within the international economy and international specialization. This division of labor and specialization comes about because with free trade, goods and services tend to be produced where they have a comparative advantage. Implicit in this proposition is the notion that as barriers to trade decline, a country may produce a smaller range of goods and services, but produce more of those it does produce."

Under the theories of Ricardo and his mentor Adam Smith, the United States would have remained a pastoral nation, exporting raw materials to colonial headquarters in Britain.

Schuh also maintains that cheap labor is a comparative advantage. "The potential benefits from a fuller realization of comparative advantage are greater as the resource endowments of the countries being integrated are more diverse. Certainly, Mexico and the United States have quite diverse resource endowments, especially if one includes among the resource endowments the investments in education, knowledge, and technology, as one should."

In other words, it is appropriate for Mexicans to remain in poverty because their "resource endowments" in education, knowledge, and technology are disadvantaged relative to the United States. Schuh makes it clear that NAFTA is about exploiting the

weaker Mexican economy when he says, "Contrary to EC-92 [the European Community's integration plan] the goal [of NAFTA] is not to establish a broader social contract embracing labor rights, social programs, and development aid for poorer regions, although some of those issues may enter into a final agreement."

From its inception, the Hubert Humphrey Institute functioned as a think-tank for rationalizations of this type for cartel food control policies. Formed in 1977, it was backed by the Minneapolis-based Cargill Corp., and by Archer Daniels Midland, whose chairman, Dwayne Andreas, was one of Humphrey's closest friends. ADM, along with the Nebraska cartel company ConAgra, sponsored the Nov. 8 conference.

Schuh is an associate of Orville Freeman, former U.S. secretary of agriculture and adviser to the Humphrey Institute. They collaborated on the Humphrey Institute "Future of the North American Granary" project. This was a blueprint for the cartel takeover of the North American grain belt. The project had its origins with another Humphrey Institute sponsor, Henry Kissinger, who, in 1974, at the U.N. World Food Conference in Rome, called for developing a world strategic food reserve. The idea was to use food, either in the hands of U.N. relief agencies or in the hands of the cartels, to undercut the aspirations of developing nations for food self-sufficiency, and make them dependent on outside sources.

Schuh played a leading role in this policy as director of agriculture for the World Bank from 1984-87. The bank's policy has been to deny Third World countries the means for food self-sufficiency through large-scale development projects, and instead, to promote labor-intensive subsistence agriculture.