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Don't Scream at Me Argentina...

...trade with me.

By Christopher Preble

President Bush is facing a particularly inhospitable climate at this weekend's Summit of the Americas meeting in Argentina. Anti-American sentiment in Latin America has reached alarming levels. A poll conducted in six Latin American countries by Zogby International found that 81 percent of respondents had a negative view of the president's performance, while only 17 percent viewed him in a positive light. Although anti-American blowhards such as Cuba's Fidel Castro and Venezuela's Hugo Chavez are even less well-liked than President Bush, they will continue to capitalize on the ill will toward the president, and the United States more generally, in an attempt to enhance their stature.

One of the easiest ways for the president to begin to turn the tide of anti-American opinion is by pledging to eliminate U.S. agricultural tariffs, quotas, and subsidies that are widely resented by Latin American farmers. The collective effects of U.S. farm policies lower the price of agricultural products for farmers all over the world. This, in turn, engenders mistrust and hostility among individuals who are dependent upon agriculture for their survival, not only as a source of nourishment, but also as a means for acquiring wealth. They perceive U.S. farm subsidies as fitting neatly within a hostile narrative crafted by those who claim that the United States seeks to keep the rest of the world locked in poverty. Protestations to the contrary from U.S. government officials often fall on deaf ears.

Because U.S. agricultural policies harm the economic well-being of poor farmers in the developing world, it is logical to conclude that these policies contribute to the widespread but mistaken view that the United States deliberately seeks to keep poor people trapped in poverty. Indeed, a Pew Research Center poll found that a majority of respondents in six different Latin American countries were convinced that U.S. policies increased the so-called "poverty gap."

Many market-oriented economists agree that U.S. policies contribute to poverty in the developing world. Nicholas Stern, chief economist of the World Bank, is particularly blunt. "It is hypocritical to preach the advantages of free trade and free markets," Stern

complained, “and then erect obstacles in precisely those markets in which developing countries have a comparative advantage.” A close look at anti-American sentiments expressed in the recent Zogby poll finds a widespread perception that U.S. policymakers are guilty of hypocrisy.

For many years, development economists have stressed that “trade, not aid” is the best way to help countries to climb out of poverty. U.S. subsidies are particularly galling for those countries that tried to make market reforms work, only to see their agricultural producers playing on an uneven field. William R. Cline, senior fellow at the Institute for International Economics and the Center for Global Development, estimated that industrial countries could convey economic benefits to developing countries worth about twice the amount of their yearly development aid by removing protectionist barriers against developing-country exports.

The United States is hardly the worst violator among the developed countries when it comes to unfair trading policies, particularly with respect to agriculture. According to Cline, Japan’s aggregated agricultural policies were four times more protectionist than those for the United States. The agricultural sector in EU countries, meanwhile, was over twice as protected as that in the United States.

U.S. officials routinely cite the evidence of worse protectionism elsewhere. In response to Brazilian allegations that the United States kept its place as the world’s second-largest cotton grower and the largest exporter through its subsidies to American farmers between August 1999 and July 2003, a spokesman for the U.S. Trade Representative replied “Those who live in glass houses shouldn’t throw stones. Brazil itself is heavily involved in financially supporting its farmers.”

But this “he started it” defense is no more effective in international relations than it is in the schoolyard. And it is hardly an exemplary stance for a country that has traditionally led by example. Given that market-distorting agricultural policies serve no useful purpose for the vast majority of American consumers and taxpayers, the United States should phase out its farm subsidy and quota programs. By committing himself to free trade in agriculture, the president could substantially improve the United States’ image in Latin America, and he might discover some new fans in a part of the world that is today too often defined by its anti-Americanism.

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