

## WTO flop reflects resurgence of nationalist economics

by Marcia Merry Baker and Harley Schlanger

Reams of scripts and brochures were printed in advance for the Seattle World Trade Organization ministerial conference on Nov. 30 to Dec. 3, to proclaim the new “Millennium Round” of three years of talks for yet more free trade, but it never happened. Not even a one-sentence communiqué could be agreed upon by the delegates from 100 nations present. The bandwagon for “free markets” has stopped in its tracks.

Before considering the reasons for this, be clear about one point: The dramatic riots and tear gas were *not* the reason why the WTO summit failed in Seattle. Just the opposite. Terrorism was deliberately deployed, by London-related networks, to create a helter-skelter effect in which the radical free-market agenda of U.S. Trade Representative Charlene Barshefsky and WTO Director General Michael Moore, a member of the British royal Privy Council, might better be bullied through. But, it didn’t work.

The underlying dynamic of the WTO failure in Seattle is that the revolt against free-market destruction of nations has reached a critical threshold. In the United States itself, the 30,000-strong march of labor unions, farmers, and others from around the country, is one expression. Third World delegations viewed this with happiness, to finally see some on-the-street protests by Americans against the harmful “free trade” swindles.

But the critical factor hitting Seattle came from Europe, especially Germany, France, and Italy, where recent actions and statements upholding national interests have run counter to free trade. Nothing about this appeared in the pre-packaged speeches. But at side-briefings, and from the behind-the-

scenes reports and headlines streaming into Seattle all week from abroad, the anti-free markets initiatives in Europe sent shock waves through the proceedings.

### **LaRouche: critical actions in Germany**

Lyndon LaRouche, at a New York City campaign event on Dec. 4, discussed the WTO failure that had concluded only 15 hours earlier. He stressed three critical factors in Germany, that threaten the continued existence of the country, and which have been met with a response to defend national interests, not placate “markets.” First, there is the attack on the German banking and credit system, coming from European Central Bank and London financial centers; second, there is the attack on German Chancellor Gerhard Schröder and his government for having intervened in November to save the Philipp Holzmann construction firm, and protecting more than 100,000 jobs directly and in feeder industries; and there is the predator attempt by the British company Vodafone PLC to conclude a hostile takeover of the German Mannesmann engineering firm.

LaRouche reported that at a certain point, Social Democrat Schröder, “with the support of the CDU [Christian Democratic Union], the CSU [Christian Socialist Union] leader of Bavaria, and others, acted to save Germany. They said, ‘To the devil with globalization! End globalization! We have to go back to rely on protection, and upon the sovereign nation-state as the only source of survival for Germany and for Europe.’ ”

LaRouche said, “This policy was supported by the Prime Minister of France, Lionel Jospin. It was also supported by



*A scene at the WTO summit in Seattle. The dramatic riots and tear gas were not the reason why the WTO summit failed in Seattle. Just the opposite. Terrorism was deliberately deployed, by London-related networks, to create a helter-skelter effect in which the radical free-market agenda might better be bullied through. But, it didn't work.*

key figures: the head of the Bank of Italy and others in Italy. So, what happened last week, with reinforcement this week, was that *Germany and France are now in a bloc to destroy the policies which the government of the United States shares with the government of Britain right now.*

“So therefore, what happened at the WTO conference in Seattle, was that the support for the sovereign nation-state, however qualified, by these governments—Germany, France, and others—and also by some developing sector countries, such as India and others, sank the WTO proposal of this crazy woman, the sort of minor [U.S. Secretary of State] Madeleine Albright, Charlene Barshefsky, the trade—the international globalization minister, or whatever you call her.

“That’s what really happened there. What happened was that the British, who had planned to do this anyway, deployed terrorist riots into Seattle, riots which were conducted probably by Americans but under British direction, and deployed out of British Columbia, from Vancouver down, as actual terrorists. And these are killer terrorists. Don’t kid yourself. They’re murderers. They’re trained to murder. They’re actually fighting terrorists, and they were deployed to create an atmosphere of *terror* around the WTO conference, in the hope that this would create some confusion that the discussion by the opposition to WTO proposals would not go forward. And that somehow, by some miracle, that Charlene Barshefsky

and Madeleine Albright would succeed in pushing through the WTO proposals.

“Now, forget what you read in the newspapers. What *really* happened, was that there was a mobilization of nations, especially yesterday, at the conclusion, when this Charlene Barshefsky proved what an ass she was. She alienated everybody so much with her tyrannical, Hitler-like posture, that that put the icing on the cake. They just walked away from it, and the WTO collapsed because of that.”

### **The scenario that failed**

The scenario for the WTO four-day Seattle summit, according to the U.S. position paper, the WTO head office in Geneva, and related London financial spokesmen, was for a final communiqué on Dec. 3, that would launch a new three-year round of negotiations among the 135 WTO member-nations, to further reduce trade restrictions, plus the creation of perhaps one or more face-saving “standing commissions” to deal with contentious issues, such as on labor standards, bio-tech engineered foods, and so on.

An additional centerpiece was to be a “Least Developed Countries Initiative,” to grant 48 poor nations the “right” to have duty-free access for their exports to rich nations, in the name of giving them an “opportunity” to prosper through free trade.

All of these failed, and the additional agenda items on

agriculture, mandated by the eight-year Uruguay Round of the General Agreement on Tariffs and Trade, became the topic for an open split between the United States and ministers from France and the rest of continental Europe, who refused to give away any concession on their national right to support their farm sectors.

The most conspicuous “has-beens” at the conference included the chairmen of many of the famous name global companies, such as Cargill, Enron, Chubb, and New York Life International, who were on hand at events alongside the WTO ministerial meetings to promote free trade. With them were their hangers-on crowd of Republicans and “New Democrats” in Congress, plus the Democratic Leadership Council, who also backed “Third Way” free trade.

### Reactions to reality in Seattle

The official mood in Seattle was one of determination to ignore reality. Typical was one among 2,500-person press corps, a transatlantic senior correspondent, who told *EIR*, “Darling, unless Schröder resigns or dies, it’s not relevant for this conference.” But the worries in London were mirrored on the eve of the WTO summit in the Nov. 29 *Washington Post* headline: “Germany Resists the New Economy; Globalization Imperils Traditions.” On that day, *EIR* raised the issue of the German anti-free-market actions at a briefing by U.K. Trade and Industry Minister Stephen Byers, head of the WTO British delegation. “I don’t want to hear about Vodafone and Mannesmann,” Byers said. He characterized German help for Holzmann workers as a mere “domestic” action, and stressed that Britain sees itself as the “bridge” between opposing interests everywhere. Britain will act especially on behalf of the poor, he said, to bring down all barriers to trade.

But the next day, after the conference opened, European Commission chief negotiator Pascal Lamy made diplomatic acknowledgment of the moves toward nation-state interest. When Harley Schlanger asked about certain recent pro-national interest statements by French Prime Minister Jospin, Bank of Italy head Antonio Fazio, and Schröder’s jobs-saving moves, and about the risks from a gigantic “correction” in the inflated Wall Street asset values, Lamy grinned visibly, but avoided addressing the latter issue. Replying at length on Europe, he said that he knew Jospin very well, and Jospin wants to “harness liberalism”; he is not against liberalism. He favors a “rules-based liberalism,” which he sees as a “win-win” position, Lamy said. He added that he also knew Antonio Fazio, and was sure he would not disagree with this view. On Schröder, Lamy would only say that his action was caused by conditions of the “internal market.”

At a briefing on Nov. 30 by U.S. Assistant Secretary of State for Business and Agriculture Al Larson, Marcia Merry Baker raised both the European national-interest moves, and the parallel sentiment in the United States, as shown by the 30,000-person anti-WTO march earlier in the day. Larson

replied only that he had accompanied Albright in a round of pre-summit meetings with American business, labor, farm, and local government interests, all of whom support free trade, and “those are the voices that we heard.”

As for hearing voices, the delegates were spared hearing Albright’s, the summit’s keynote speaker, because anti-WTO protests delayed the opening session by five hours, and she left town.

By Dec. 2, even more moves in Europe were playing into Seattle. Schröder and Jospin had met in Paris, and then went to Spain to announce a three-nation Airbus consortium. When Schlanger raised this at the EC daily briefing, pointing out that in WTO-speak, this would be called free trade “distorting,” laughter broke out. EC spokesman Falkenberg replied in earnest that, usually when we talk about “trade distorting” acts, we are referring to agriculture, “but I can see what you mean.”

Later that evening in Seattle, before the last day of the conference, the controlled agenda broke down almost completely, as Third World spokesmen said that they were being “marginalized” and would likely not vote up anything at all (see below). At the Dec. 3 closing session, Barshefsky was booed by African leaders.

## Eco-fascists riot in Seattle

by Harley Schlanger

The confrontation between demonstrators and police which initiated what some press dubbed the “Battle in Seattle” during the World Trade Organization (WTO) summit, broke out right in front of me, shortly after 9:30 a.m. on Tuesday morning, Nov. 30, when police moved in to clear the intersection of 6th and Pike, to ensure safe passage for press and delegates from the Sheraton Hotel to the Convention Center.

There were three actions which occurred simultaneously. As some demonstrators sat down and linked arms to block the intersection, police moved forward. At that moment, a group of 100-150 demonstrators, with black ski masks covering their faces, began throwing anything they could find at the police, who responded with blasts of pepper spray on those seated on the ground.

This pattern was repeated all day, as a small, highly disciplined group, intent on maximizing chaos in the streets, moved easily within a much larger group of peaceful demonstrators. This smaller group, which later broke windows of downtown stores and set bonfires in the streets, was largely ignored by police, who focussed exclusively on opening up intersections. It was only on Wednesday, Dec. 1, after a state