

Geneva Trade Talks: WTO's 'Ship of Fools'

by Karel Vereycken

At the “last chance” meeting in Geneva on July 27, the head of the World Trade Organization (WTO), Pascal Lamy, aims to ram through a new multilateral trade agreement on agriculture and industry to conclude seven years of the Doha Round. Although we go to press before the results are known, the meeting has already become an open battlefield—neither between rich and poor, nor between North and South, as the British media have it, but between the imperial British economic vision of the Commonwealth, as personified by Peter Mandelson (the European Union Trade Commissioner and former Cabinet member in Tony Blair’s British government), and nations out to secure their survival, based on food sovereignty and the increase of the powers of labor of their workforce, through at least a minimum of organized markets, regulation, and protectionism, without restraining access to world markets.

The issue is whether food production will be slashed; whether hungry people will live or die.

The lowering of trade tariffs of developed nations, supposedly to favor emerging nations’ access to “profitable” markets, and the proposal, adopted by the WTO in Hong Kong on Dec. 13-18, 2005, to forbid all subsidies to agricultural exports by 2013, in exchange for not a single advantage, turns out to be worse than unacceptable.

For European agriculture, writes a French daily, “the leadership of the WTO proposes to reduce support measures for agriculture by 75 to 85% in six steps over five years in order to promote the imports of identical products coming essentially from Brazil, Argentina, the United States, Canada,

Uruguay, Australia, and New Zealand.”

Large European farm organizations, such as the Committee of Professional Agriculture Organizations (COPA) and the General Committee for Agricultural Cooperation in the EU (COGEMA), estimate that losses for European agriculture would run as high as 30 billion euros (\$47 billion) per year, and cause the loss of 500,000 jobs. Thus, by adopting the WTO’s suicide plan, the EU would abolish its own Common Agricultural Policy (CAP), which has been feeding

500 million Europeans for two generations, and *agricultural output would fall by a catastrophic 15-25%*. U.S. agriculture, while slightly protected by subsidies in the recently adopted \$290 billion Farm Bill, would be very rapidly forced to obey to the same suicidal policy, and would face the continued rapid outsourcing of its food production.

Didn’t the food riots that swept 40 countries earlier this year remind these WTO bureaucrats, that to feed at least 10 billion people on the planet by 2050, we cannot stick to such dangerous illusions as to hand over food production to “the market” alone?

Today, farmers and consumers of food are not the only ones who are worried about the WTO. Industrialists in Europe vividly recall the outcome of the preceding GATT Uruguay Round, which closed with the Marrakesh agreement in 1994. That agreement outsourced, and nearly exterminated, all textile production in Europe. For Eoin O’Malley of the Business Europe employers organization, the WTO’s proposed agreement in Geneva “does not open markets to European products” at all. An expert in the auto industry, quoted by the French financial daily *Les Echos*, said he feared

that the industry “would be sacrificed” in Geneva, while officials of the European chemical industry claim that strong trade barriers prevent them from selling their products in India or China.

Fanatic Free Traders: Lamy and Mandelson

While the free-trade dogma was powerfully unmasked by the theoretical founders of the American System of econom-



The Ship of Fools, by Hieronymus Bosch, ca. 1490-1500.

ics and protectionism, such as Henry Carey and Friedrich List, in the 19th Century, the British free-trade religion found new followers with Pascal Lamy, who became director general of the WTO in May 2005, and EU Trade Commissioner Peter Mandelson.

The two latter want to impose an agreement at all costs. But who are they?

Pascal Lamy: As a socialist and professed Christian, nicknamed the “soldier monk” by his former patron Jacques Delors, Lamy is a rabid free trader. To free the market, he thinks, the nation-states have to be reined in; if Europe today is handcuffed by the Maastricht and Nice agreements, and potentially by the Lisbon Treaty, Lamy must share the blame. It was he, as an advisor to then-president of the EU Commission Jacques Delors, who framed the “single market” scheme, under the direction of the late British baron Arthur Cockfield, who was then the vice president of the EU Commission, and is correctly considered to be “the father of Maastricht.” Cockfield was a leading figure of the fascist British Fabian Society and the London School of Economics.

Peter Mandelson: As the grandson of a member of Clement Attlee’s Cabinet, Mandelson shares the designation “Prince of Darkness” with U.S. neocon lunatic Richard Perle. Mandelson was the leading spin-doctor who godfathered Tony Blair’s election victory in 1997, and authored the “Third Way” theory between socialism and economic neoliberalism. Repeatedly endangered by corruption scandals and his flamboyant personal life, his very presence in Brussels is intolerable, even for the ordinary Eurocrat. One told the French weekly *Le Point* that “Mandelson is like Kaa, the snake in the ‘Jungle Book.’ He sings to you ‘have confidence,’ while encircling you with his coils.”

The War of the Worlds

With Lamy as head of the WTO and Mandelson representing the 27 EU member states, those opposing the deal (France, Italy, Spain, Ireland, Hungary, African nations, and others), trapped by their own past commitments and incapa-

ble of formulating a positive alternative, for a long time used the only weapons still at their disposal: rejection and “wait and see” tactics.

The polemic had only popped up as an epistolary duel between French Agriculture Minister Michel Barnier, who suggested in the *Financial Times* that the CAP could be a source of inspiration to create “a new deal” to overcome food insecurity, and Mandelson, who fulminated in a column published by the *International Herald Tribune*, that “food security of some only means food insecurity for others.”

But things got tenser in the weeks before the Irish referendum on the Lisbon Treaty in June. On May 28, French President Nicolas Sarkozy, under pressure from his domestic farm sector, opened friendly fire on both Lamy and Mandelson, declaring that France would not accept a deal that Lamy and Mandelson “want to impose on us,” and which would sacrifice agriculture on the “altar of world liberalism.”

After having blamed Mandelson for messing up the Lisbon Treaty ratification process, the French President said that “France will use its veto” at the WTO if French agricultural interests are threatened. “I’m not disposed to exchange agriculture for services in the framework of the WTO. We can’t go on negotiating in this way.” Arguing from a Darwinian standpoint, Sarkozy added that, “in the WTO negotiations, if efforts have to be made, then everybody should make them. For the time being, I don’t see any efforts which the United States would be ready to make.” The same is true, he said, for India and Brazil. During a trip to Brussels, Sarkozy underlined again that he “didn’t get a mandate to sell out European and French agriculture.”

Then, on July 7, speaking at the European Parliament in Strasbourg, and showing some insight into the nature of the British problem, he said: “I know that there exist nations which believe this policy is too expensive. A child dies every 30 seconds in the world, so Europe cannot be asked to lower its agricultural production.”

Facing this French offensive, Lamy immediately called on the ministers of the WTO member states to meet in Geneva on July 22, since the WTO’s bureaucratic clock is ticking fast. Since every agreement at the WTO needs to be approved by the member states, a failure now would delay approval of the agreement for at least another two years, while, if concluded now, it could be ratified before the end of the year.

In response, Paris, which heads the EU for a semester, swiftly convoked an emergency meeting in Brussels of the



WTO
Director General
Pascal Lamy



EU Trade Commissioner
Peter Mandelson



PM/Ricardo Oliveira
French Minister for
Agriculture and Fisheries
Michel Barnier

trade ministers of the 27 EU member states. The meeting took place on July 18, three days before the Geneva WTO session; it dictated a script to Mandelson, who is to represent all EU members at the talks. To keep Mandelson on a leash, French Agriculture Minister Barnier was ordered to attend the Geneva talks, something which rarely happens. Mandelson sarcastically told the press that Barnier “can bring the picnic.” And so, the minister did. Taking Mandelson’s words literally, and with a Rabelaisian jest, Barnier and Anne-Marie Idrac (a French parliamentarian and businesswoman) offered Mandelson a huge picnic, carefully prepared with high-quality European food products, all produced by nations belonging to the anti-Mandelson front: Italian parmesan cheese, Hungarian Tokay wine, etc.

The Irish also kept on shooting at the British. After all, Mandelson told them before the referendum vote that he would not change his policy of destroying European and Irish farming with the Lisbon Treaty—an argument that fueled Ireland’s rejection of the treaty, in rural areas. Irish Foreign Minister John McGuinness, in Geneva, told the press that Mandelson’s behavior was “incorrect and useless.” For Ireland, he said, a veto of the WTO agreement “remains an option.”

Mandelson, who saw that things were turning sour, pulled off a lying poker play on July 21, pretending that suddenly the EU was proposing to lower tariffs by 60% rather than 54%, as agreed on before. Brazilian Foreign Minister Celso Amorim, who foolishly wants to eliminate all trade barriers, discovered that Mandelson had only changed his method of calculation, and exploded, saying the rich countries were using propaganda methods akin to those of Joseph Goebbels. The U.S. Trade Minister Susan Schwab, herself the daughter of a holocaust survivor, took offense at the statement.

Will the ‘Ship of Fools’ Crash?

One could say that the WTO “ship of fools” is crashing on the iceberg of the EU “Tower of Babel.” The Flemish painter Hieronymus Bosch, in his painting of the “Ship of Fools,” shows us a similar company, fighting for a little piece of fat or a handful of cherries, symbolizing ephemeral pleasures. Escaping their attention, the smart guy gets his hand on the chicken attached to the mast of the vessel.

The “smart guys” today are the financial markets. A “success” in Geneva will drive up the markets for a handful of ephemeral seconds, supposedly ushering in a new epoch of rising world trade that will flow from these agreements.

Why deregulate ever more of the world economy? As Philippe Pinta, the head of the Economic Commission of the French farmers union FNSEA, said: As prices are increasing all over the world, “deregulating everything appears to be a folly, at a moment when one is told the time has come to regulate financial markets. Is food more important than finance, or not?”

To conclude, a well-informed source notes that it is un-

necessary to make a decision on the WTO agreement “in such a chaotic context.” Dropping it all is no big deal, he says, while “in any case, even if adopted, the deal is unlikely to be approved by the U.S. Senate. Because, as of June, the President can no longer use the fast-track procedure.”

Otherwise, one might hope that the tempest of reality will bring some fools to their senses. The devastating financial blowout that has been ongoing since July 2007, and the rapid disintegration of the international financial world monetary system as seen in the triple crises of banking, food, and oil, has certainly been key to creating the conditions for sinking the WTO system. It is hard to “liberalize” in a world in which food, energy, and financial security are not defining costs and prices in the world economy.

WTO: History and Dogma

The World Trade Organization’s “Doha Round” was started barely two months after 9/11, in Doha, the capital of Qatar, on Nov. 9, 2001. and presented to the world as part of the “global war on terror.” In fact, this provided the ideal pretext for the Anglo-Dutch financial cartels to impose their world “governance.” To win that war, they said, it is necessary to reduce poverty. How? With free trade and the elimination of subsidies and trade barriers! Nation-states were accused of “distorting” sound competition and free trade.

The fraud of the supposed advantage of a “global economy” is nothing but a remake of the looting policies of the British Empire during the 19th Century. It was David Ricardo (1772-1823), a British war profiteer and friend of the genocidalist Thomas Malthus, who framed the theory of “Comparative Advantage,” pretending that free-trade policies, thanks to Adam Smith’s “invisible hand,” are beneficial to each country, whatever its productive powers, since each country can still benefit from specializing in and exporting the products which it can produce most cheaply. There is no need to train skilled labor, of course, since slaves can do the job at lower cost. No need neither to develop manufacturing (except in England), since trade alone will bring prosperity.

This is the ideology of the WTO to the present day. Lyndon and Helga LaRouche have campaigned against it for many years, and in April of this year, they called for an international mobilization to shut the organization down for good.

—Karel Vereycken