

# Europe feuds with U.S. over GATT

by Marcia Merry

In October, the Bush administration, along with the British government of John Major, made a grandstand play to get a deal between the European Community (EC) and the United States over disputed farm and food policies before the Nov. 3 election, so Bush could announce that the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) might reach a world "free trade" treaty this winter. But as of Halloween eve, no such luck for Bush.

France and several European nations have not acceded to Anglo-American demands for deeper cuts in the already-reduced farm supports of the EC Common Agriculture Program—a concession considered mandatory by London and Washington. Thus, during October, GATT talks were a circus between the EC and U.S. representatives.

This fall marks the sixth year of negotiations for a worldwide free trade treaty under GATT, which began in 1986 in Punta del Este, Uruguay. The "Uruguay Round" was intended to be completed by 1990, but resistance has continued among the 105 member-nations of GATT.

However, with or without the niceties of a signed and sealed treaty, the Anglo-American bloc that is demanding a GATT deal is on a rampage to force "free" trade practices wherever they choose, and to break the political and economic opposition centered in continental Europe.

First, the Anglo-American interests want independent farm output potential destroyed in Europe, because they view it as threatening their domination of world food supplies from the U.S.A., Canada, and Australia. The latter nations account for over half of all world grains traded annually. Second, the Anglo-American financial interests are anxious for loot from free trade, to attempt to prop up their tottering debt and currency structures.

## Grandstand for GATT

The play for a GATT agreement began on Oct. 8, when Bush announced meetings in Brussels for Oct. 11 between U.S. and EC officials. No agreement was reached. Over the following weekend, so-called technical talks were held in Canada. Still no agreement. President Bush sent a personal letter to each of the 12 EC member-nations calling for cooperation. On Oct. 21, yet another conference took place in Europe. This time the talks were a definitive bust, and for several days afterwards there were accusations as to which side was responsible for the breakdown. The United States re-

called its negotiator, Joe O'Mara. The planned followup meeting in Dublin was called off.

On Oct. 25, French Agriculture Minister Jean-Pierre Soisson held talks with six of his EC counterparts in Paris and arrived in Luxembourg the next day for an EC agricultural meeting, saying that many ministers now agreed there could be no deal before Nov. 3. A brigade of 600 French farmers blocked the highway at Colmar, near Strasbourg, to protest U.S. GATT demands.

British Agriculture Secretary John Gummer tried to smooth things over at the Oct. 26 meeting, but to no avail. France's biggest ally was Germany, whose Agriculture Minister Ignaz Kiechle said in Paris that the U.S. position was not acceptable.

Yet London and Washington persisted. Speaking at an Iowa campaign event on Oct. 27 called "Ask George," Bush said, "I'm confident we'll get an agreement." The same day, British Foreign Minister Douglas Hurd called on the EC to use today's "dramatic opportunity" for a GATT deal. EC External Trade representative Frans Andriessen canceled a trip to Asia, to wait for a potential GATT summit.

The rumor was that a deal was in the works, but a Clinton backer was in Europe to stall agreement until after Nov. 3.

A senior official of the GATT Secretariat in Geneva put the matter in historical perspective, of why elite financial interests are bent on getting a global treaty. On Oct. 26, Paulo Roberto Barto Rosa told the BBC, "The GATT is not an institution like the World Bank or IMF" (International Monetary Fund). He bemoaned the fact that in 1947, the International Trade Organization, which was to be the sister institution to the World Bank and IMF, was rejected by the negotiating countries. They would only agree to a treaty organization. So today, Barto Rosa said, GATT is "a contract in search of an institutional basis." The Uruguay Round treaty is needed to provide a "solid legal basis for autonomous decisions."

## NAFTA 'across the Pacific'

Even as the GATT negotiations stall, there are talks aimed at roping in Australia, New Zealand, Chile, and other non-Atlantic countries into an expanded North American Free Trade Agreement (NAFTA). This fall Bush made a speech on American renewal and mentioned free trade "across the Pacific." Though Australian Prime Minister Keating does not say anything publicly, there are confidential activities on potential free trade deals. Judith Trotter, the New Zealand high commissioner to Canada, describes her government as "extremely interested in the negotiations" on NAFTA. Frank Lavin, U.S. deputy assistant secretary of commerce for East Asia, on Oct. 10, nominated Australia, New Zealand, Singapore, Hong Kong, and Taiwan for inclusion into NAFTA.

Chapter 22, Article 2205 of the draft NAFTA treaty allows for the inclusion of other nations. "Any country or group of countries may accede to this agreement," it reads.