

WTO Failure in Geneva: A Success for Mankind

by Marcia Merry Baker

The nine-day special talks in Geneva of the Doha Round of the World Trade Organization officially “ended without agreement” on July 30. In other words, the session was a flaming failure—and this is a good thing for the world’s population.

The failure occurred because the WTO push for more globalization has become intolerable for dozens of the 153 member nations, representing billions of people, and especially in the worsening world food and agriculture crisis.

The latest Doha Round proposals called on nations not only to lower tariffs, but to sign away their rights to change tariffs, subsidies, and other measures. In this way, the WTO and related agencies—the World Bank, International Monetary Fund, free trade zones, et al.—could enforce still more “borderless” conditions for supranational financial and commodity interests to dominate and degrade agro-industrial production and trade. Exactly this process of globalization has resulted in today’s world food crisis.

In Geneva, delegates from India, China, and Indonesia in particular, declared their government’s sovereign right to protect their people and farmers. Those three nations alone represent 2.717 billion people out of the world’s 6.538 billions today, including hundreds of millions of farmers. In addition, the smaller but critical numbers of farmers in nations whose governments are radically pro-Doha, such as the United States, Canada, Australia, the European Union-27, Brazil, and others, are also cheering the WTO failure.

The question posed by the Doha flop is: What kind of world leadership will be forthcoming to restore national economies and agro-industrial production, especially to deal with the immediate food shortage and hyperinflation. While the WTO was meeting in Geneva, an international resolution was issued July 26 by Helga Zepp-LaRouche, chairwoman of the Germany-based Schiller Institute, calling for concerted action on the crisis at the UN General Assembly in September. (See

article this issue.)

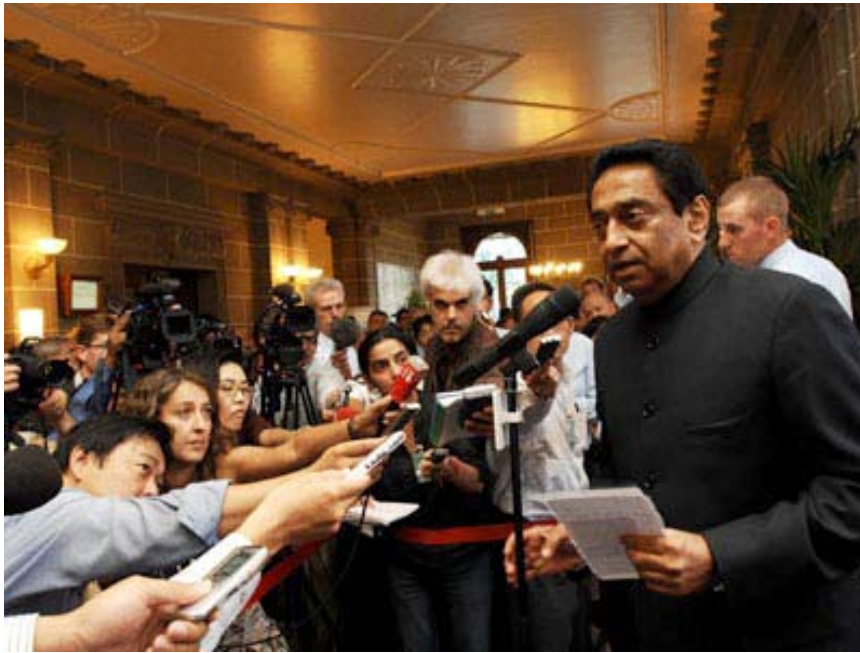
There are other initiatives and calls in this direction. At the 15th Ministerial Conference of the Non-Aligned Nations Movement (NAM), meeting July 30-31 in Tehran, diplomats discussed the food and fuel crisis, among other issues. Malaysia’s Foreign Minister Datuk Seir Dr. Rais Yatim suggested that the NAM form a task force to deal with the problem of making fair adjustments of oil prices in relation to food trade and supplies for their populations, and said that this could be done under the NAM’s Joint Coordinating Committee, and with the Group of 77 and China.

The Right To Protect One’s Nation

The immediate grounds for shutdown of the Geneva talks was the stand-off between the United States and India, over the Indian government’s insistence that it has the right to protect its farmers and domestic food supply against import surges of foodstuffs from the world “market” (meaning the world food cartels). The common practice by commodity cartels in recent decades, has been to selectively dump food, textiles, metals, manufactures, or any other goods, at discount prices, wherever and whenever the financial interests behind the cartel chose to do so. If the targetted nation objects, the only recourse is, “take it to court”—meaning to the WTO. The British free trade networks have repeatedly engaged in this dumping, even with food aid, often using U.S. grain and other relief goods as a weapon against recipient nations.

On July 28, Kamal Nath, India’s Minister for Commerce and Trade—supported by Indonesia—demanded that fully effective Special Safeguard Mechanisms must be included in any new WTO pact to protect poor countries’ markets against import dumping. This demand was opposed by the United States and by representatives from the cartel export-source nations in South America. President George Bush personally called Indian President Manmohan Singh, to ask India to comply. But India remained adamant.

Nath told the WTO meeting that 90 nations supported his position, and that he was determined to protect the “poorest of the poor from import surges.” Nath dismissed as “not workable” a so-called compromise proposal by WTO Director General Pascal Lamy, on how to modify the Special Safeguard Mechanism so that it might be acceptable to both sides of the dispute. Lamy’s modification was that if poor nations lowered their tariffs overall, then, any time that their markets



WTO photo

The cartels lost at the WTO meeting: Kamal Nath, India's Minister for Commerce and Industry, told the WTO that he was determined to protect the "poorest of the poor from import surges," and that he had the support of 90 nations in this. He succeeded.

were hit by a surge in import volumes of 40% or more, they could temporarily put on protective tariffs. Nath demanded a 10% trigger level.

India was strongly supported by Trade Minister Mari Pangestu of Indonesia, who said in the debate that she has to ensure the survival of 60 million farmers—mostly small-scale rice growers—who are vulnerable to competition from large foreign producers.

Many developing countries pointed to the current jump in food prices as a major reason that their farmers need extra protection against a spike in prices or imports. Rapid fluctuations could cause entire domestic rice markets to dry up if left unchecked, imperiling their food security.

China, too, lined up with India. Chinese representatives in Geneva demanded the right to set high tariffs on rice, sugar, cotton, and any other commodity as needed to protect its farmers and 1.33 billion people. This directly crossed the U.S. delegation, which spoke there strictly on behalf of the British free trade cartel line that no nation can impose restrictions on cartel rights.

At one point, Chinese Commerce Minister Chen Deming said, "The crux of the current serious difficulties that have arisen in the Doha Round negotiations is that, having protected its own interest, the United States

is asking a price as high as heaven."

The other battle lines in Geneva were within the European Union bloc. Nine EU member states demanded better terms than the EU Trade Minister Peter Mandelson would permit. French Agriculture Minister Michel Barnier, with the support of Italy, organized a "Club of the Volunteers," including France, Ireland, Poland, Hungary, Greece, Portugal, Lithuania, Cyprus, and Italy. These nations all considered the Lamy agreement to be unacceptable. And on same day that the Geneva talks were failing, the Irish Farmers Association held a rally in Dublin, to protest WTO trade proposals on beef.

French President Nicolas Sarkozy was the outspoken leader of the "Club." At one point, he called Lamy personally to tell him that, "in the name of the peoples of Europe,"

France could not accept the WTO agreement.

Repeated WTO Failures

The July collapse of the Doha talks in Geneva is the fourth failure of this Round, which began November 2001 in Qatar. The former failed sessions were Cancun (2003), Hong Kong (2005 and 2006), and Potsdam (June 2006). The Doha Round itself was begun to rescue the WTO when it had almost ceased to exist after its 1999 heads of state conference, known afterwards as the "Battle of Seattle."

Even the founding of the WTO in January 1995, was a delayed launch. The original goal of the 1984 "Uruguay Round" of the UN General Agreement on Tariffs and Trade, was to create an overarching world trade agency within four years. It took eight.

The original goal of the seven-year-old Doha Round was to impose still more globalization on the world, which, by that time, was hated by most nations and peoples.

Why keep at it? The powerful geopolitical forces behind the years of free trade demands are simply those neo-British Empire circles that include the famous-name, multinational oil, grain, minerals, and other commodity cartels, as well as financial circles



WTO photo

China demanded the right of protection for its cotton crop, and won out over strenuous U.S. objections at the WTO meeting. Here, China's Minister of Commerce, Deming Chen, arriving in Geneva for the talks.

historically opposed to nation-states. These networks in many cases trace back directly to the same forces that backed Mussolini and Hitler, prior forms of fascist economic systems, which are the predecessors of globalization.

An echelon of pro-free-trade personalities has been installed in key institutional positions internationally to front for these cartel powers. Robert Zoellick, the American who currently heads the World Bank, was formerly U.S. Trade Representative, and is a free trade wildman. Another ideologue is Pascal Lamy, a French national and former EU Trade Minister who now heads the WTO. Peter Mandelson, the British free trade queen, is currently EU Trade Representative. Today's U.S. Trade Representative is Susan Schwab, equally pro-cartel.

One World Order Dashed

Mandelson wrote a simpering guest column in the London *Telegraph* on July 31, "We'll Pay a High Price for Free-Trade Failure," bemoaning the fading of a vision of a one world order. He told reporters in Geneva that he was "heartbroken."

Mandelson cried that the failed WTO package would have been an "insurance policy against future protectionism," locking in tariffs.

Referring to his vision of how China and India, as well as Brazil, could have been coerced to go along with the WTO madness, Mandelson wrote, "Before this

failure, Doha was shaping up to be the first global pact of the new order, binding the big emerging powers into a system in which they felt like custodians, not outsiders."

The clashes in Geneva told another story.

The issue of cotton, for example, was indicative of the depth of opposition between China and the cartel/WTO positions. When China demanded the right of protection against cotton dumping, the U.S. Permanent Representative to the WTO, David Shark, accused China of an intent to harm poor African nations by depriving them of potential markets. Zhang Xiangchen, an official at the Chinese Ministry of Commerce, denounced the U.S. argument as "absurd."

There was also an intense confrontation over India and China. U.S. Representative Schwab threw up her hands, saying: "I have noted with time that if you pull one thread it is likely to unwrap. So now we are in a situation where one country has parted with the original agreement and the second country is backtracking on its commitment it made to rest of us." Then, she added—continuing her conspicuous avoidance of naming names, that some large emerging countries were causing problems in clinching a global trade deal.

In reply, India's Kamal Nath stood up and said: "We are large, I can't help that. We are emerging, and nobody should brush that." It was after this intense exchange, that official talks were called off the next morning, and later cancelled altogether.

Nath: 'Protect the Poor'

Why did India take the point at Geneva, was the question put to Nath by many reporters after the talks failed. "I Acted in the Interest of the Poor," was his headline statement in an interview July 31 with the *Economic Times* bureau of *The Times* of India. "I don't look at it in terms of good or bad, or in terms of whether I am a villain or a hero. I had to do what is correct in the interest of the poor in developing countries. And that is what I did. . . ."

When asked about how the issue of the Special Safeguard Mechanism became so important, Nath replied: "The issue is relevant for developing countries as it is a measure to protect poor farmers from a fall in prices due to import surges. But for developed countries, it is only a matter of commercial consideration. They wanted commercial interests to override livelihood security issues. . . . I cannot put at stake livelihood security of one billion farmers from all countries."