

## Sidelined in Seattle

*The UK is no longer really a country in terms of trade negotiations, observed Ronald Stewart-Brown, who covered the WTO Conference in Seattle for euromfacts.*

The World Trade Organisation's Ministerial Conference at Seattle began with high hopes of agreeing the agenda for a new Millennium Round of trade negotiations. But in the end the systemic challenge of reaching consensus within four days amongst 135 countries on the very wide range of issues tabled was too great.

We shall never know whether British diplomacy, with its unique network of relationships worldwide, could have saved the day because the UK is really only a nominal member of the World Trade Organisation. Much may be made of the UK having the world's fourth largest economy and being a member of the G7 group, a permanent member of the United Nations Security Council and a leading member of NATO. But seldom is it mentioned that the UK, as a member of the EU customs union, has no independent standing at all in world trade negotiations.

The UK ministers present, Stephen Byers, Clare Short and Michael Meacher (but unaccountably not Nick Brown) stood three square behind the EU Trade Commissioner, Pascal Lamy, on almost every issue, including the Common Agricultural Policy that our government has elsewhere professed itself keen to reform. Mr Byers clearly stated that the UK was very happy with the EU's negotiating position. No doubt the UK had had its say, all of 10 votes out of 87, on the EU's Common Commercial Policy for Seattle, but Mr Byers firmly resisted any suggestion that the UK's own interests might have differed from those of the rest of the EU 15.

For all their pretence that they had a serious role to play at Seattle, it was clear that UK ministers spoke as

executives of the European Union. Other EU members, including Germany and Italy, did not even bother to give independent press briefings. To make things crystal clear, Commissioner David Byrne spoke with Irish eloquence of how food safety, public health and the consumer interest were all key concerns of citizens of both the EU and the USA.

Anyone who doubts the claim of the official classes that the UK needs to go into Economic and Monetary Union with Euroland in order to preserve its influence in the world would have had his worst fears confirmed by observing the UK's sidelined role at Seattle.

Seattle's outcome was a setback, not a disaster. The WTO Agreements resulting from the Uruguay Round remain in place. Unresolved trade disputes are of miniscule significance in the context of the US \$ 6.7 trillion total of world trade. The way forward may now be unclear, but WTO members remain committed in principle to further liberalisation of world trade. Negotiations on agriculture and services, at least, will start this year, as provided in the WTO Agreements.

The causes of Seattle's failure included Charlene Barshevsy both leading the US negotiating team and chairing the conference's principal committee, President Clinton talking of sanctions to enforce core labour rights in developing countries, Seattle not having planned against hotel blockading and street violence, and the EU's intransigent refusal to countenance eventual elimination of agricultural export subsidies. Also, the developing countries understandably resisted being railroaded into deals cut by developed countries in restricted "green room" negotiations. But no-one could blame

the WTO's recently-appointed Director-General, Mike Moore, for the failure.

It was the UK and the USA that provided the vision and leadership behind the foundation of the GATT in 1947. The Englishman, Sir Eric Wyndham White, was Director-General of the GATT for its first 20 years. The Scotsmen, Adam Smith and David Ricardo, had given the world the theoretical basis for advocacy of free trade two centuries ago. And Britain had championed the free trade cause through most of the Victorian era and the early decades of this century. But at Seattle it was a different story.

By contrast, Canada had a central role to play at Seattle: as a member (along with the USA, the EU and Japan) of the Quad group of countries which work closely together on many trade issues; as a leading member of the Cairns Group of countries, which argued cogently that trade in agricultural products should be no different from trade in industrial goods; and through holding the chair of the WTO's Implementation and Rules Working Group, one of six established to focus on key areas of negotiations. Enjoying membership of NAFTA and full sovereignty over its trade outside North America, Canada has surely the best of all worlds.

Perhaps the last word should go to a retired British diplomat present in a trade representative capacity at Seattle. In his view, it was one thing for a medium-sized country like Canada to have manoeuvred itself into a pivotal role in the Seattle talks. But for the UK it was very different because we were a large country and carried a lot of historical baggage, and people would mind our having a prominent role in world trade negotiations!