



JONATHAN T. FRIED

Ambassador and Permanent Representative of Canada to the WTO; former Associate Deputy Minister for Foreign Affairs and International Trade ; former Senior Foreign Policy Advisor to the Prime Minister, Canada

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I recall that Bill Clinton, on coming to office, did not support the NAFTA until there was added a certain set of understandings on labour and on the environment through side agreements. He subsequently became a great champion for free trade both regionally and multilaterally, so there may be some parallel there. Again, in a different way I am trying to say the same thing. In the light of the WTO's success in dispute settlement and in forcing a code of rules within a limited universe, we tend to put too much weight on the WTO as the solution to everything. Take tobacco, where the issue has to do with public health measures versus the trademark of intellectual property that tobacco manufacturers put on their boxes of cigarettes. At its root that is really not an issue that trade negotiators can really sort out alone. Nor can the intellectual property community at the World Intellectual Property Organisation (WIPO) through its international framework for patents, trademarks and copyrights. The question is, what is the relationship between the free flow of goods and free competition between producers at least, that the WTO sets out on the one hand, the internationally agreed codes of intellectual property at WIPO, and whatever the World Health Organisation and someone else has to say about tobacco and public health? Various institutions and legal frameworks are at issue. Maybe in the future, a warning on a beer label, which you said is harmless, will be debated as well

In effect this has to do with communication, both at the national and international level, between those dealing with which organisation has jurisdiction over what. All of our food safety is not set out as a result of trade people saying all food should flow freely. The Food and Agricultural Organisation (FAO), that wonderfully named CODEX Alimentarius, the International Organisation of Epizootics (OIE), actually set out the standards of what kind of beef is safe, when you have the right to close the border to BSE and so on. Those standards in effect then are incorporated back into a WTO context. Therefore, with respect, for Mr Stiglitz and some of the activists who quote him, their aim is not very good because they want to target the WTO whereas really what they are debating is whether these international organisations and the domestic regulators relating to them are using sound science or not. Some would argue to heck with science, it is whatever my social choice is. I do not like GMOs, whether they are safe or unsafe. Others would say the only international basis for dealing with these kinds of things is what the best science has to say, and if you have a choice of measures to meet what science says, choose the one that is less trade-restrictive as long as you can be assured it achieves the same result.

Finally, vis-à-vis the multi-nationals, let me fully endorse what Bark Taeho says. Again, the WTO and the GATT before it was originally designed to smooth frictions at the border and to put the foreign producer on a level playing field, so-called national treatment with the domestic competitor. That is all. It did not make any decision about big or small. It also said among foreign producers, if your country is also a member and has most favoured nation treatment, all you will find is that competitors should be treated alike. Once you are into the foreign market, you are talking about conditions of competition for the consumer. That has never been the purview of trade disciplines. That belongs to competition and anti-trust law. Many of us, Canada included, sought to add competition to the universal rules that might come under a WTO umbrella at the start of the Doha Round or even before. UNCTAD for many decades before wanted to have the world talk about restrictive business practices, but we have only got as far as soft law. , An informal but very large network anchored at the OECD, called the International Competition Network, now has about 70 anti-trust and competition agencies, from both developed and developing countries, and maintains an exchange of best practices, and has developed a model competition law that is now being implemented in more and more countries, but nobody is quite ready to turn that into treaty form. In the result, a large merger is still going to have to apply and go through, much to the delight of the lawyers, 19 or 20 or 40 different merger applications and reviews.



All of which is to say I think the questions you pose are perfectly legitimate and do have to do with social choice, public choice, but also have to do with the global governance questions we have been talking about all day that go well beyond the WTO. How do we align that very circumscribed universe that we designed a trading system to deal with, with the other international efforts that we have made fairly successful to standardise and to protect and to promote the consumer, and public safety and the social interests?

Kemal DERVIS, Vice President and Director of Global Economy and Development, Brookings Institution, former Minister of Economic Affairs of Turkey

Thank you very much. I think we will try to get some questions or comments from the floor, but I would like to add one more thing. It seems like in many areas economic globalisation is facing new barriers in a sense. There has been progress, there was tremendous progress on trade in terms of the Eurozone, by the creation of the Euro which was an incredible achievement but we are reaching new barriers. If we want to go further with globalisation, there has to be more harmonisation and competition regulation; otherwise we are stuck. If we want to have monetary cooperation, we have to acquire new instruments to succeed. I think that is why we are really at a very crucial moment where in fact if we do not go forward we may actually be pushed backward.