

Editorial: The Case for Regulation

One could be tempted to describe Director General Pascal Lamy's inspired remarks on the U.S. Trade policy and its link to the global trading system as very thoughtful and inspiring for all pro-liberalization stakeholders. The speech – "Reconciling America with an open trading system" – was delivered before the Peterson Institute for International Economics in Washington D.C. on April 24th. However, the DG also claimed that "if accompanied by the right domestic policies, trade can be a powerful tool for fostering growth and contributing to development." Among those "right domestic policies," Lamy cites the need for a "better regulated financial system".

At times when "regulation" has become a key word in every world leader's speech, it is not surprising to see them looking for examples to illustrate the compatibility between open trade and efficient regulation. As such, the Canadian banking system was many times quoted as the perfect example of a system that can coexist next to an open and completely deregulated economy (the U.S.), but one that can avoid being affected when its neighbouring system collapsed. Lamy also used the Canadian banking example to illustrate his point in an interview earlier this year. What he seemed to ignore however, is that a similarly successful system can be run in agriculture: a system that is open to trade but also has the "right domestic policies" and the necessary regulation. One such system is supply management, which has been proven to be as valuable and worth preserving as the Canadian banking system.

Walker Officially Becomes New Agriculture Chair

At an official meeting of the Agriculture Committee on April 22nd, WTO members officially named New Zealand's Ambassador, David Walker as the new chairman, replacing Crawford Falconer. Walker said his first task is to report on the situation in the talks on agriculture and WTO Director-General Pascal Lamy's consultations on the development aspects of cotton, which are linked, but not part of the negotiations. The new chairman said he wants "to acquaint myself with where things are at" and for that he would need some time to consult members before outlining possible future work. "I want to get to know delegations and their thoughts, and following that I will come back to delegations with some ideas on the way forward," Walker declared while declining to provide a timeframe on when he plans to do so or to comment on which issues he would prioritise in his consultations.

"To ensure there are no surprises in terms of the conduct and the substance of the negotiations, once I have gathered my thoughts on what I think the most appropriate way forward is, I shall convene another informal special session," he added.

Officials said Walker discouraged delegates from commenting on the substance of the negotiations at this stage. Thus, speakers generally welcomed him and paid tribute to his predecessor, Crawford Falconer who returned to New Zealand to become a deputy secretary of the Foreign Affairs and Trade Ministry. Some countries, meanwhile, voiced the need to consider Falconer's last draft modalities text as the basis for the last stretch of the talks because it reflects lengthy consultations and negotiations.

Kirk Provides Sneak Preview of U.S.'s Views on Doha

On April 23, U.S. Trade Representative (USTR) Ron Kirk declared that his office will soon unveil its views on how to advance the Doha Round which he described as a "once-in-a-generation opportunity to forge a strong framework for the future of global trade." The New USTR chief assured that he will soon start meeting with WTO counterparts to exchange views but reiterated the need for emerging developing countries such as India, China and Brazil to do more in order to reach a deal. Kirk said the U.S. is looking for a "much clearer picture" of what it is going to get out of Doha.



The Obama administration is committed to the Doha round Kirk said, claiming that the U.S. will focus on securing a global multilateral deal than trying to accumulate a series of small free trade agreements (FTAs).

Speaking at the Peterson Institute for International Economics in Washington D.C. on April 24th, WTO DG Lamy defended the benefits of concluding the Doha round as part of the stimulus package needed to bring the global economy back on its feet. The U.S., especially, will be the first to gain from a successful Doha round, he stressed. "All available estimates of the benefits from the Doha Round show the world as a whole would benefit from the reduction in tariffs and subsidies. U.S. business knows that. As the world's leading exporter of goods and services and as the country with one of the world's lowest tariffs barriers, it is clearly in the U.S.'s interest to conclude a global agreement, bringing down barriers to trade and opening markets in other countries. "

Kirk and Lamy officially met later on April 24th.

Upcoming Events

- General Council, May 27-28, July 28-29, Oct. 13-14, Dec. 17-18, 2009
- Official Appointment of the WTO's DG, May 31, 2009
- India General Elections, May 2009 (at the latest)
- EU Elections, June 7, 2009
- Cairns Group Ministerial Meeting, first half of June (tentative) Indonesia
- OECD Ministerial Meeting, June 24-25, 2009 (Paris, France)
- G-8 Summit, July 8-10, 2009 (La Maddalena, Italy)
- APEC Meeting of Ministers Responsible for Trade, July 21-22, 2009 (Singapore)
- WTO Public Forum, Sept 28-30, 2009

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and the Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.

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