

Spinning in Miami

Peter Clark (in Miami)
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The protests are picking up and it is rumoured that protestors have hijacked a bus, which we cannot confirm, and bomb scares are causing shut downs. Nothing seems to change, nor does the blame casting change.

It appears that some in Mercosur are playing a game of pin the tail on the beaver.

The leaks suggest that resistance to the USA-Brazil framework coming from Canada, Chile, Mexico, and most other non-Mercosur countries, is a glitch or obstructionist. In fact, from what we can determine, it appears that the objective is to try to ensure a meaningful result and not to frustrate progress as that "progress" appears to be a quest for an extremely minimalist result.

The others did not agree to the Lansdowne text which is now available for all to see who have access to the Inside U.S. Trade website.

Our sources here tell us that the U.S. and Brazil have indicated that four key paragraphs of this text are untouchable. Others are appalled by this attempt to paper over differences and lack of ambition and are making it clear that in their view this would be an insufficient basis on which to proceed.

Proposals are being structured on a workgroup by workgroup basis which are directed at meeting the concerns of Mercosur which led to the Lansdowne text. We understand it is a two-tier approach. The first is based on a universal undertaking by all, which would reflect what Mercosur claims it can agree to. For example, it would deal with services on the basis of a positive list. In the second tier, there would be plurilateral agreements on other issues. These proposals, as well as the proposal that benefits received, should be commensurate with contributions made has belled the cat. It also appears that this is not really what is desired.

We have heard reports that Mercosur is concerned that others might actually negotiate the plurilateral agreements which it has been suggested they should be able to.

It has also been made clear by other participants that reduced ambition in the core issues which would be agreed by all would be reduced on both the give and the take sides; that is, no free riders. There is a determination to avoid de-basing the coinage for market access.

As this shapes up to be a real battle over the results - with the Americans, of course, standing to gain by any increased ambition which Canada and the others can secure - it will be very interesting to see Minister Pettigrew in the role of gladiator instead of his traditional WTO role as facilitator.