



Written by [Bob Adelman](#) on December 9, 2013

WTO Celebrates First Global Agreement in 12 Years

With tears in his eyes, Director-General of the World Trade Organization (WTO) Roberto Azevêdo (shown, left) announced on Saturday the successful culmination of days of difficult negotiations to arrive at the first unanimous agreement in the history of the WTO: the approval of the Bali Package. "For the first time in our history, the WTO has truly delivered. This time the entire membership came together. We have put the 'world' back into World Trade Organization," he said.



Headlines around the world celebrated, with [the BBC](#) stating, "WTO agrees to global trade deal worth \$1 trillion," the [New York Times](#) saying, "W.T.O. Reaches First Global Trade Deal," and [Reuters](#) writing, "[WTO reaches its first ever trade deal at Bali meeting.](#)"

One would think that mankind had been saved from extinction through the work of 160 diplomats working in its best interests, laboring through the night to birth the agreement. In fact, it was a "near death" experience for the WTO. As noted by Tom Miles, writing a week earlier for *Reuters*, there were only two possible outcomes from the meeting to be held on the island of Indonesia: "a global trade agreement ... or a failure that kills off the Doha round of trade talks and casts the WTO into obsolescence." At the last minute, Cuba and India backed away, slightly, from their threats to scuttle the conference, allowing Azevêdo to save the WTO and his job as Director-General.

What was accomplished was a slight lessening of trade restrictions through the relaxing of some red tape between and among the agreeing governments. But even that was ballyhooed as paving the way for an enormous expansion of economic activity. According to the Peterson Institute for International Economics — founded by globalist Fred Bergsten in 1981 and funded handsomely by Council on Foreign Relations member Peter Peterson — the Bali Package of trade agreements could create \$1 trillion worth of global economic activity and add more than 20 million jobs, while lowering the cost of doing business internationally by between 10 and 15 percent.

Putting those optimistic numbers into perspective, however, shows the size of the gnat that was birthed in Bali last week. Gross world product for 2012 was estimated to be \$85 trillion, so Bali, if it is implemented without delay or further disagreement, might add one percent to the world's economic output. The 20 million new jobs purported by Peterson, added to the [3.2 billion of people already working](#), would put an additional *six-tenths of one percent* more people to work. These are rounding errors of magnitude.

The WTO has been trying to get traction on its mission to regulate all international trade ever since it was hatched in 1995. It was stillborn as the International Trade Organization (ITO) as part of the 1944 Bretton Woods agreements, which created the World Bank and the International Monetary Fund. The ITO was never ratified, thanks to temporary reluctance by the United States and a few other nations which still valued their sovereignty.



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In November 2001 the WTO launched a full frontal attack on that sovereignty with the Doha Rounds of negotiations, which have continued ever since. It failed to reach a trade agreement in 2001, and then again in Cancun in 2003, in Geneva in 2004, in Paris and then Hong Kong in 2005, in Geneva in 2006, and again in Geneva in 2008.

It's no wonder that failure tracked the WTO from the beginning: There wasn't a single free-market businessman among those seeking special privileges. Case in point is the present Director-General, Mr. Azevêdo. After obtaining degrees in electrical engineering and international relations, he entered Brazilian public service in 1984 and has stayed firmly planted there ever since. As Lew Rockwell [pointed out in 2000](#):

Ever since the WTO was proposed five years ago, the Mises Institute [where Rockwell was serving as president at the time] has denounced the notion that world trade somehow needed world government management....

We've defended the classical model of free trade ... [that] there is only one option compatible with liberty: [end] the WTO....

The World Trade Organization has absolutely nothing to do with free trade. The people gathered [in their meetings] weren't actual importers and exporters. They were government officials....

As early as 1994, it was clear that the WTO charter, a 29,000-page, 300-pound monstrosity, was a Trojan horse for economic planning.

While originally touted as a pathway to free trade among the world's nations, the WTO was intended for something else altogether: an admixture of socialism and collectivism similar to the other monsters birthed at Bretton Woods in 1944 — the World Bank and the IMF. Explained Rockwell:

In the classical idea of real free trade, the international economy needs no government management. Producers and consumers can work out their own deals and sort out their own conflicts, peacefully and to their own mutual advantage, without government involvement.

But such laissez-faire concepts have little support among the Bali experts and WTO promoters. Governments don't like them because they deny them power. Socialists don't like them because they leave them with little to control. And numerous multinationals — think General Electric — don't like them because they force them to compete on equal terms with their competitors.

What the Bali conference means is that statist will continue over years, decades, and generations if necessary, to accomplish their end task: economic and financial regulation of every aspect of the international economy. Twelve years is nothing in that grand scheme. As Azevêdo said at the conclusion of the Bali meeting, "We're back in business ... Bali is just the beginning."

Photo of WTO Director-General Roberto Azevêdo and Indonesian Trade Minister Gita Wiryawan: AP Images

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