

INTERNATIONAL BUSINESS; A Modern French Aristocrat in Trade's Fractious Arena

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Pascal Lamy is known as "the Exocet" for a personality as direct and aggressive as the missile built in his French homeland. But now that he is Europe's top trade official, Mr. Lamy's subtle diplomacy may be a more useful weapon.

The 52-year-old career civil servant, appointed as the European Union's trade commissioner last fall, has found himself at the center of some of the world's most contentious trade disputes. French farmers want him to preserve the subsidies that keep their prices artificially high but are regarded as obstacles to free trade. European consumers want him to keep genetically modified food from abroad off store shelves. Then there are the seemingly never-ending fights between the European Union and the United States over bananas, steel, aircraft noise and hormone-treated beef.

There had been some surprise at Mr. Lamy's appointment, partly because of a widespread impression that he was simply too blunt and might alienate Europe's trading partners with his no-nonsense approach. But Mr. Lamy has shown himself to be adept at compromise.

He took the initiative to help restart the World Trade Organization talks that collapsed in Seattle two months ago, becoming the first top-level trade official publicly to propose a plan to break the impasse. This week, the Geneva-based trade forum announced that it would reconvene the talks, although with a narrower agenda than Mr. Lamy had wanted. "We have to repair and reignite the process," he said in an interview a few days earlier in his office in Brussels, headquarters of the European Commission, the European Union's administrative arm.

Mr. Lamy was named to the trade post after top officials of the previous European Commission had been dismissed last year over accusations of mismanagement and cronyism. His selection was a surprise partly because he had a not-altogether-flattering record in Brussels.

He served for nine years as assistant to the former European Commission president, Jacques Delors. It was in that post, where he handled top-level meetings of the Group of Seven industrial nations, that he acquired the sobriquet as a Delors hatchet man or, alternately, the Delors Exocet.

In 1994, Mr. Lamy left Brussels and returned to Paris to help in trying to salvage Credit Lyonnais, a troubled big bank that had accumulated enormous debts and required repeated taxpayer bailouts.

A graduate of an exclusive French management school, Mr. Lamy is identified with the country's political elite, a circle he mixes in easily as a member of a well-to-do Normandy family. Skeptics have wondered how a man ensconced in the French establishment would deal with the European practice -- espoused most forcefully by France -- of subsidies for farmers.

"Agriculture is a tricky one for him," said Paul Brenton of the Center for European Policy Studies. "He may want to move ahead, but he will face the strength of the agricultural lobby and ministries in Europe. He can only move ahead carefully and subtly in this atmosphere." Mr. Lamy, trim from his passion for marathon running, maintained that he can make progress on agriculture. "I have room for maneuver," he said in the interview. "We believe agriculture has environmental, social, local and landscape impact, which deserve the taxpayer paying for this."

Deep-seated differences between Europe and the United States over the American view -- one backed by other exporting countries, that farm goods should be treated like any other item of trade -- contributed to the failure in Seattle. European and Japanese representatives strongly argue that farmers must be protected in order to preserve rural life.

"He has been less French than expected in agriculture," said Nicholas Clegg, a British member of the European Parliament, who was dubious about Mr. Lamy's selection. "He has said the future of agriculture reform is not taboo. This has been a highly pleasant surprise."

Mr. Lamy departs from some European colleagues on the even more fractious topic of genetically modified food. He thinks such disputes should be decided at the World Trade Organization. "The W.T.O. will have to articulate the rules about this," Mr. Lamy said, acknowledging that his view is unpopular in Europe.

He strongly defended the trade organization, which a broad range of critics have called a secretive group that has little public accountability. The W.T.O. "has been painted as the black box where multinationals do their dirty tricks in getting rid of barriers that protect nice people," Mr. Lamy said. To counter that, "my prescription is going out loudly on the idea that we need more trade liberalization with rules that benefit everybody."

He has proposed that the trade forum release more internal documents, sponsor a yearly public debate and open its deliberations to nongovernmental organizations. "This is all part of the democratic scene-setting at the international level," he said.