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As US threatens to trash GATS, Antigua responds

By [Burke Hansen in Macau](#)

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Little Antigua just can't be bullied. Like the weakling in some Hollywood teen summer flick, the tiny island nation keeps coming back.

The world's most incomprehensible trade dispute seems poised to set a rather nasty precedent for America, as [reports](#) (<http://www.antiguasun.com/paper/?as=view&sun=281935077507132005&an=143342108708262007&ac=Local>) out of the tiny island nation indicate that its demands for compensation could far exceed what had previously been speculated. The brazen idiocy, incompetence and all-around incoherence that have characterized the Cheney administration's approach to international relations have stirred up a hornet's nest in the Caribbean, a part of the world where the United States should really have nothing to worry about.

The *Antigua Sun* [reported](#) (<http://www.antiguasun.com/paper/?as=view&sun=364448109408262007&an=143342108708262007&ac=Local>) Sunday that the previous figures of about \$3.4bn that had been tossed around as compensation for Antigua in its World Trade Organization (WTO) trade dispute over the cross-border provision of remote gambling services only covered past damage. Antigua estimates that future damages resulting from the US's unilateral decision to remove gambling from GATS [GATS](#) (http://www.wto.org/english/tratop_e/serv_e/serv_e.htm) (the General Agreement of Trade in Services) entitles it to at least that much in future lost revenue.

Mark Mendel, Antigua's lead attorney in the WTO case, sounded almost gleeful when asked by the *Antigua Sun* about the anticipated damages.

"We haven't even told them what that claim will be yet. The only thing I told them is it'll be at least as big as our other claim. The US\$3.4 billion is just what we're entitled to by

virtue of them not having complied with the decision. It's a massive number but, after talking to the economists and going through everything, it is a very realistic number," he said.

Sure, that's quite a bit higher than Antigua's annual GDP. Future losses are notoriously difficult to calculate.

"I think we're still in the driver's seat and I feel optimistic about it. It's tough and we're the smallest guys in the world taking on the biggest but I think we're doing well. We've asked them to give us some proposals as to how they could solve things with us and they have yet to really give us any firm proposals, so it was a very inconclusive meeting - I think the reason that they did (requested the meeting) was just so that they could say that they did so."

The real money isn't from Antigua, however. The real money is from places like the EU, that have well-developed internet gambling industries and potentially enormous damages.

The US has already gotten smoked before by the WTO for its intransigence on internet gambling, and deservedly so. If the US decides to cut off its nose to spite its face and destroy GATS, which it worked so hard for so many years to establish, well, that would only be another testament to the gross ignorance of the current administration.

The US has nothing to gain, and quite a bit to lose. ®

Burke Hansen, attorney at large, heads a San Francisco law office

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