Written by <u>Steve Byas</u> on September 13, 2018

WTO Hopes to Get Stronger Via High Number of Disputes

"The important thing is that the system remains strong — and, if possible, becomes even stronger," said Roberto Azevedo, the director-general of the World Trade Organization (WTO), in a speech Tuesday to the Commonwealth group of nations, formerly part of the British empire.

Azevedo expressed hopes that the WTO, formed in 1994 during a conference at the United Nations, would be able to use the 16year high number of disputes it is presently hearing, to strengthen the arbitration authority of the international trade organization. The WTO arbitrates trade disputes among the nations that have joined the pact, agreeing to surrender some of their sovereignty over such disputes to this body that has its headquarters in Geneva, Switzerland.



This year alone, about 30 disputes have been handed over to the multinational WTO to decide, the most since 2002. While Azevedo told the Commonwealth nations that such a large number of cases is "putting more strain on a dispute settlement system which is already under threat," he welcomes the cases because it should give the organization even more power.

The majority of the cases are a result of disputes stemming from tariffs the United States, under President Donald Trump, imposed on other member nations of the WTO. These tariffs were designed to protect a variety of U.S.-made products from foreign competition, including steel and aluminum. Azevedo sees the increase in the number of disputes turned over to the WTO as mostly a good thing, because it means that the nations are increasingly willing to allow the WTO to make the final decision, rather than hold onto their ability to take independent action.

However, Azevedo did lament that the actions of the United States in blocking an increase in membership in the Appellate Body is causing a hardship for the quick resolution of trade differences. "The blockage in appointments to the Appellate Body is one of the key challenges before us today," Azevedo admitted. "Despite much effort over recent months, we are no closer to a solution. This poses a grave systemic risk which could affect all areas of our work. And we need real commitment from all sides to solve this impasse."

Despite the increased power for the WTO, which Azevedo believes is a positive, he expressed fear that the multiple numbers of disputes could lead to a trade war, and even to major damage for the WTO. "This is extremely serious," Azevedo said. "Whether or not you call it a trade war, certainly the first shots have been fired."

If this situation continues, Azevedo expressed concern about what this could do to the world's economy.

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"Continued escalation risks a major economic impact," he declared. "The predominant effect here would be disruption. It threatens jobs and growth in all countries. In fact, we may already be seeing some early effects. Delayed investment decisions are a good example."

Azevedo noted that many countries are engaged with each other on their own concerning the issue of reform for the WTO system. "No doubt there are a wide range of views of both the need for reform, and what such a reform could look like. But the important thing is that the system remains strong — and, if possible, becomes even stronger."

Of course, a stronger WTO means more power for this international body at the expense of the world's nations, including the United States.

The Constitution of the United States is quite explicit in giving all power to "regulate commerce with foreign nations" to Congress, not the WTO. But before Congress ceded much of its constitutional power to regulate commerce to the WTO, it had already given up a great amount of power to the president of the United States, starting in 1934 with President Franklin Roosevelt. If a citizen has heard the media or a member of Congress speak of "fast-track," they are referring to the decades-long practice of Congress to let the president negotiate foreign trade deals as he wishes, reserving (at least so far) only the power to vote up or down on the finished product. Of course, once that finished product makes its way to Congress, the members are then told they really have no choice but to go along, because otherwise the whole deal would be killed.

With the founding of the United Nations in 1945, this process only accelerated. An effort was made to create an International Trade Organization (ITO) under the jurisdiction of the UN. Too many Americans then understood that this would surrender much of America's national sovereignty, and the ITO was never much of a factor. However, the globalists adopted an alternative plan with the establishment of the General Agreement on Tariffs and Trade (GATT) in 1947, and the United States did get sucked into that. The WTO evolved out of GATT by 1994.



The journal of the globalist Council on Foreign Relations (CFR), *Foreign Affairs*, recently lamented that President Trump has "single-handedly" killed WTO. If only it were true — but as *The John Birch Society Bulletin* noted in its July 2018 edition, while Trump has taken some actions that have weakened the clout of the WTO, "it is far from dead." In fact, Dennis Shea, Trump's ambassador to the WTO, has assured fellow WTO ambassadors that the United States has no intention of killing WTO, but only wants a "stronger, more effective" WTO.

A recent vote by Congress illustrates how the WTO affects the daily life of the average American. One might remember that after the WTO ruled that the United States was in violation of WTO rules by requiring meat imports to have country-of-origin labeling similar to that found on clothing, the Congress meekly repealed the requirement. In other words, Congress recognized that America was no longer sovereign in this regard.



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While Americans can no doubt live (hopefully) without knowing whether their meat is coming from the United States or some other nation, these are the types of rules the unelected WTO can be expected to impose upon American citizens in the years to come.

The alternative, of course, is for the United States to withdraw from the WTO, and work out trade differences with other nations on a bilateral basis, rather than a multilateral basis, and surrender pieceby-piece our national sovereignty. There are provisions in the WTO agreement for nations to withdraw from it.

Before we cede even more of our country's independence to this collection of 640 unelected bureaucrats, we should exercise that option.

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