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To the Secretary

Joint Standing Committee on Treaties

Parliament House

Canberra ACT

8 September 2000

A Submission on the World Trade Organization

General Observation:

As a general observation the WTO should be viewed like fire - as a good servant but a bad master.

This is, of course, a reference to the ever - present temptation by international organizations like the WTO to assume the mantle of the all-knowing master whose every edict must be followed implicitly.

That the WTO has yielded to this temptation can no longer be disputed. It presents itself as the economic saviour when in actual fact it has become an economic dictator of the world. We may well bemoan that the WTO has a problem with transparency and accountability. But what dictatorial power has ever cared about such values? It can be said that the lack of transparency and accountability is the root of all dictatorial phenomena and not just a by-product.

Time for Action:

It is probably only of academic and historical interest as to who is to blame for this development. So let us not be sidetracked by this question. Instead, our focus should be to establish the perimeters for how to quickly and effectively deal with the situation as it is at present.

Obviously, it is primarily for Parliament to resolve this problem, as it is Parliament's sacred duty to safeguard Australia's interest by all means at its disposal. That this has unfortunately not been done in the past should not be used as an excuse to do nothing now.

Some Specific Complaints

It is for example totally preposterous that the WTO should have the power to reverse the rules on labelling GM foods, as Prime Minister Howard stated recently. If this came to pass, what would this say about Australia's independence and sovereignty – let alone the democratic principle?

Further, the WTO's insistence that all member states have to change their domestic laws such as labour, environmental and consumer laws, amongst others, if they vary from WTO's rules, is tantamount to an ultimatum for surrender. The stage has been set by the WTO for a fight that any self-respecting nation should accept and pursue with vigour.

Can Australia Expect Support From Other Nations?

There can be little doubt, that there are other countries with similar concerns that would join in. For example, the WTO had the temerity, if not impudence, to initiate action against the European Union for banning the importation of hormone-fed beef from the US, as if it was not the democratic right of the EU to do so.

What Needs To Be Done?

Not unlike UN's Committees on Human Rights, which have become too big for their boots, the WTO also needs reforming from top to bottom. If this proves to be difficult then we need to "contract out", whether or not the WTO has a provision in it's charter for this.

If there is no formal mechanism for a country to withdraw (none could be found by this writer) then it is imperative that during the reform process an appropriate clause be inserted to enable any member

country to unconditionally withdraw. This, more than any other measure, would ensure that the WTO has its claws removed.

In order to achieve lasting reform it would be useful to enshrine some basic principles in the preamble to the WTO's constitution such as:

- **That the WTO has no power to compel any country to do anything that that country does not want to do.**
- **That it is merely a service organization to facilitate trade**
- **That its staff are the servants of its clients and are not permitted to engage in social or political engineering, as is evidently the case now.**

Conclusion

In conclusion it may be appropriate to quote the last paragraph of a lecture given on the 1/09/00 in Parliament House by Jeremy Rabkin, professor of government Cornell University , USA:

“The first duty of every national government is to take care of its own country. I think the United States, as the world's last remaining super power, sometimes forgets this. Australia can set a good example for America, as for its neighbours, if it stands up for its rights and duties of sovereign states.”

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