



The Phyllis Schlafly Report

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What's So Wrong About GATT/WTO?

Every House and Senate candidate for office in this year's election has a moral obligation to the voters to declare publicly how he or she will vote on the GATT/WTO (World Trade Organization) legislation, which is scheduled to be voted on in the House on November 29 and in the Senate on December 1. At the very least, they should promise to postpone the vote until the newly elected Congress meets in January.

It is an outrage that the leadership of both parties connived to schedule this landmark legislation — of such enormous impact on the lives of all Americans — to be voted on in a lame duck session. This means that our economic future will be decided by a Congress, up to one-third of whose Members will have already been rejected by their constituents on November 8.

Lame duck sessions are exceedingly rare; they are justified only for national emergencies. There is no national emergency connected with the GATT/WTO legislation; we have until June 1995 to pass it.

► The reason the Clinton Administration and the GATT/WTO advocates in the Congress are pushing to pass it in this rare post-election-pre-Christmas session is that they want to pass it under the “fast track” rules, which will expire at the end of the year. “Fast track” is a devious, deceitful, high-handed, unreasonable, unconstitutional rule, which prohibits any amendments or changes in the legislation, forbids a Senate filibuster, and limits debate to only 20 hours. The House reduced this to only 90 minutes for each side!

GATT/WTO had been scheduled to be enacted on October 5, but the Capitol was flooded with thousands of phone calls from angry citizens urging a NO vote. If GATT/WTO had come to a vote, it

would have failed, but President Clinton, Speaker Tom Foley, and Republican House Leader Newt Gingrich made an insider's deal to reschedule the vote in a lame-duck session.

The whole idea of a lame-duck session is repugnant to our democracy, but this particular one is doubly so because of the conflict of interest hanging like a cloud over every Member of Congress. Most of the defeated Members will be seeking jobs as lobbyists, lawyers, consultants, or Administration officials, and their passport to a job will be their vote for GATT/WTO.

► The second reason why the vote should be postponed until next year is that GATT/WTO is a Budget Breaker. It will add at least \$31 billion to the federal debt as a result of lost revenues from tariff cuts. Under the Budget Enforcement Act, the Congress is obligated to “find the money” for any new legislation. Therefore, in the Senate, GATT/WTO cannot be passed unless 60 Senators vote to “waive the budget rules.” Every Senator and Senate candidate should tell his constituents immediately how he will vote on this key issue.

The House Republican “contract,” orchestrated with such fanfare on the Capitol steps on September 26, includes a promise to pass the Balanced Budget Amendment. The whole thing is a fraud if those same Congressmen vote for GATT/WTO, which will sock us with a \$31 billion increase in the federal deficit.

► The third reason why the vote on GATT/WTO should be postponed until next year is that, if it is voted on this year, the “fast track” rules prevent the removal of offensive sections that absolutely must be deleted. Let's consider some of these offensive sections that have no place in a trade agreement.

(1) The World Trade Organization must be removed. This 14-page charter, surreptitiously added to the 22,000-page GATT/WTO agreement, would put the United States into a World Government of Trade, which will install a new layer of international regulation over the U.S. economy. In the WTO, we will have only one vote out of 123 nations (the same vote as Haiti or Castro's Cuba). The WTO rules will be made by hundreds of unelected foreigners living high on the hog in Geneva, Switzerland, and disputes would be decided by foreign tribunals meeting and deciding our fate *in secret*.

The World Trade Organization section is actually a treaty, not a trade agreement at all. The U.S. Constitution requires that treaties, to be valid, must receive a two-thirds vote of the Senate. It is dishonest to bypass the constitutional requirement. The World Trade Organization section should be submitted separately to the Senate as a treaty, and we should have ample time for public debate.

(2) Section 801 must be removed. Secretly added to the legislation by Clinton and Congressman John Dingell, this section gives a subsidy worth over \$2 billion to the *Washington Post*, the *Atlanta Constitution*, and a consortium of other insiders. This hidden financial interest explains the lavish support given to Bill Clinton and to GATT/WTO by those big newspapers.

(3) Section 745, which authorizes the U.S. Treasury to eliminate the guaranteed minimum interest rate on U.S. savings bonds, must be removed. This provision will steal money out of the pockets of millions of Americans who have put their savings in billions of dollars worth of these bonds.

(4) The portions of Sections 501-534 that make basic changes in U.S. patent laws must be removed. The right of inventors to get a patent is a constitutional right that has been a major factor in the innovative ideas that have raised our standard of living to the highest in the world. Our constitutional right to patent protection should not be diminished in any way by a "fast track" trade agreement.

(5) Section 742 requiring every newborn baby to get an IRS Taxpayer Identification Number at birth must be removed. This provision is the mark of a totalitarian state. It symbolizes the centralized government control that the Clinton Administration is trying to exert over all Americans.

(6) Section 766, which is a mysterious change in pension laws, was obviously slipped into GATT/WTO to benefit some powerful special interest whom

Congressional committees refuse to identify. This section must be removed; changes in U.S. pension laws have absolutely no place in a trade bill.

Before it's too late, call your Senate and House candidates and demand that they promise (1) to vote **not** to waive the budget rules — *that* is the crucial vote. In addition, ask them (2) to postpone the vote on the GATT/WTO legislation until next year, (3) to demand a separate Senate vote on WTO as a treaty, and (4) to vote **no** on GATT/WTO until all the obnoxious provisions or giveaways are removed (such as the \$218 million subsidy to the *Washington Post*).

Secret Media Subsidies in GATT/WTO

We've heard a lot from the media about the danger from "special interests" influencing legislation. We've heard a lot about the expensive "pork" that is tucked away in the fine print of legislation. Now we learn that Big Media are at the head of the chow line, lapdogging the legislation but concealing their own financial interest.

Hidden in the 1,000-page GATT/WTO implementing legislation is a provision to give federal subsidies worth over \$2 billion to the *Washington Post*, Cox Enterprises (which owns the *Atlanta Constitution*), and a consortium of insiders operating under the name Omnipoint. It's no coincidence that those two newspaper giants were the most obsequious in supporting Bill Clinton's candidacy in 1992 and are now the most vociferous in supporting the immediate passage of GATT/WTO.

The *Washington Post* editorialized for speedy passage while asserting that the GATT/WTO bill "contains no surprises, no provisions that have not been amply discussed." That's not true; the whopping subsidy was negotiated in secret and its revelation by competitors was a huge surprise to everyone.

Here is how the secret subsidy came about. In August of this year, the FCC adopted a fee formula for the valuable licenses granted for PCS (personal communications service — a technological advance in cellular service). The fair market value of the licenses issued by the FCC to these three firms for the lucrative New York, Los Angeles, and Washington, D.C. markets is estimated by experts to approximate \$3 billion.

However, Chairman of the House Commerce Committee John Dingell and President Clinton slipped Section 801 into the GATT/WTO legislation, which reduces the FCC fees to be paid by these three

companies to about \$875 million. Specifically, Omnipoint would get a \$1 billion discount from the value of its New York PCS license, Cox Enterprises would get a \$730 million discount for its Los Angeles license, and the *Washington Post* would get a \$218 million taxpayer subsidy for its Washington, D.C. license.

Under GATT/WTO's fast track rules, these subsidies cannot be deleted or reduced before Jan. 1, 1995. The only way to eliminate these outrageous subsidies is to postpone the GATT/WTO vote until next year, after fast track rules expire.

Americans Won't Like WTO

The proposed World Trade Organization (WTO) is a new global organization empowered to make and regulate the rules of global trade. WTO is a direct attack on American sovereignty, independence, jobs, and economy.

All WTO decisions will be made by the votes of the WTO Ministerial Conference on the basis of one-country-one-vote. Article IX states: "Each Member of the WTO shall have one vote . . . decisions shall be taken by a majority of the votes cast." Thus, the United States will have the same vote as Haiti or Castro's Cuba. Developing nations will have 83 percent of the WTO votes, and the majority have had years of practice in ganging up against us in the United Nations. More than three-fourths of WTO members voted against the United States on more than half of UN votes in 1993. In the United Nations, our interests are protected by our veto power, but no veto is allowed in WTO.

WTO forces the United States to change our laws to meet WTO obligations. Article XVI, paragraph 4, states: "Each Member shall ensure the conformity of its laws, regulations, and administrative procedures with its obligations." Any country that must change its laws to conform to obey rulings of a world organization has sacrificed its sovereignty.

The WTO will serve as a global tribunal for trade disputes. They will be adjudicated by the Dispute Settlement Body, a sort of a Supreme Court of Trade, which will make rulings, monitor national responses, and compel enforcement of its decisions. WTO rulings will be final. The WTO can impose trade sanctions and fines, and authorize retaliation, on the United States if we do not abide by its decisions.

The 28-page GATT/WTO *Understanding on Rules and Procedures Governing the Settlement of Disputes* states that all deliberations of the WTO Dispute

Settlement Body will be secret and its decisions will be anonymous. Section 14 states: "Panel deliberations shall be confidential. The reports of panels shall be drafted without the presence of the parties to the dispute in the light of the information provided and the statements made. Opinions expressed in the panel report by individual panelists shall be anonymous."

What if we appeal an unfair decision? The same secrecy rules still apply. Section 17 states: "The proceedings of the Appellate Body shall be confidential. The reports of the Appellate Body shall be drafted without the presence of the parties to the dispute and in the light of the information provided and the statements made. Opinions expressed in the Appellate Body report by individuals serving on the Appellate Body shall be anonymous."

Obviously, there are no traditional American guarantees of due process, right to confront your accusers, etc. The judges on the dispute panels will be mostly, if not exclusively, foreigners, and there are no conflict of interest rules. Our 50 states will not be permitted to defend their laws against challenges from foreign governments, since only national governments will have standing before WTO panels. (*Understanding*, Section 2.)

If we lose a WTO dispute panel decision, the WTO can give the complaining nation the authority to select *which* U.S. industries must bear the burden of the WTO trade sanctions, and then impose tariffs on those selected industries. (*Understanding*, Section 2.)

Some have claimed that Congress has protected us against WTO's abuse of power by "reservations" or "exceptions" inserted in the implementing legislation. That language has no legal effect whatsoever and is just window-dressing to deceive the American people. Article XVI of WTO, paragraph 5, states: "No reservations may be made in respect to any provisions of this Agreement."

Thus, Congress cannot "fix" or "exempt" any American rights or problems. If WTO passes, the language of the agreement will lock us into the World Government of Trade.

Why are U.S. corporations pushing so hard for passage of GATT/WTO? Because it will make it safe for them to shift their operations anywhere in the world — where there are 800,000,000 unemployed workers, and 50 workers can be hired for the wage of one American worker — and then have duty-free access back in the United States. American jobs and

economic security are on the line.

The U.S. Senate rejected the attempt to put us in a world trade organization in 1947. We should do so again.

What Does New World Order Mean?

George Bush started our country on the risky road to what he called (but did not define) the "New World Order." Bill Clinton is only too happy to define it for us.

New World Order under Bill Clinton means using American troops like a mercenary Foreign Legion, to be sent into all sorts of foreign fights even though no U.S. national security interest is at stake. No U.S. national interest was threatened in Somalia, Rwanda, Bosnia, or Haiti.

New World Order under Bill Clinton means risking American troops on such vague and undefined missions as "peacekeeping" (in places where there is no peace to keep, such as Somalia, where American soldiers were dragged through the streets in humiliation during our "peacekeeping" efforts), "restoring democracy" (to countries that never had democracy, such as Haiti, and putting in power a Marxist dictator [Aristide] who has publicly approved of the hideous practice of "necklacing"), and "nation-building" (using our combat troops to build a government, a police force, and infrastructure in foreign countries).

New World Order under Bill Clinton means converting the best fighting force in the world into what is essentially today a "peace corps," whose mission is to pick up the pieces of the carnage created by warring tribes in faraway places such as Rwanda. No one has come up with an answer to the question, why invade Haiti but not Cuba? If our mission is to "restore democracy" to other countries, Castro's Cuba would be a splendid place to start.

New World Order under Bill Clinton means asking the overpaid bureaucrats in the United Nations for the go-ahead to assign our troops wherever he thinks American media attention should be diverted. Clinton sought the approval of the United Nations to invade Haiti, but did not seek the approval of Congress, which the U. S. Constitution requires.

New World Order under Bill Clinton means assigning U.S. servicemen and women to serve under foreign commanders. He signed Presidential Decision Directive (PDD) 25, which specifically asserts his authority "to place U.S. forces under the operational control of a foreign commander."

New World Order under Bill Clinton means flagrantly violating two sections of the U.S. Constitution: Article I, Section 8 gives Congress (not the UN) the power "to declare war." Article II, Section 2 limits the President's treaty-making power by this clause: "provided two thirds of the Senators present concur." Clinton asked the UN, not Congress, for permission to invade Haiti, and he intends to consider the GATT/WTO treaty passed if it gets a simple majority (not two-thirds) to the Senate.

New World Order under Bill Clinton means joining the World Trade Organization, which would put American jobs, trade and economy under the control of a foreign legislature (where we would have only one vote out of 123), a foreign unelected bureaucracy in Geneva, and a foreign trade tribunal empowered to decide disputes in secret.

New World Order under Bill Clinton means signing the Law of the Sea Treaty, another international straitjacket designed to transfer American wealth and technology to Third World countries.

New World Order under Bill Clinton means signing the United Nations Treaty on the Rights of the Child, which would transfer traditional rights of parents over the upbringing, discipline, education, health and welfare of their children, to a new international bureaucracy. (*P.S. Report*, March 1993)

New World Order under Bill Clinton means ratifying the United Nations Treaty on Discrimination Against Women, which would transfer traditional rights of American women to a committee of foreign "experts" who would make rules about child care, "family education," abortion, comparable worth, and even "interpersonal relationships." (*P.S. Report*, September 1990)

New World Order under Bill Clinton means a foreign policy directed by his Rhodes scholar pal Strobe Talbott, a lifetime advocate of world government and of ending what he calls the "obsolete" notions of nationhood and national sovereignty. (*P.S. Report*, June 1994)

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