

WTO, GMO and Total Spectrum Dominance

WTO rules put free-trade of agribusiness above national health concerns

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Global Research, March 29, 2006

29 March 2006

Theme: [Biotechnology and GMO](#), [Global Economy](#)

In February, a private organization with unique powers over world industry, trade and agriculture, issued a Preliminary Draft Ruling on a three-year-old case. The case was brought by the Bush Administration in May 2003 against European Union rules hindering the spread of genetically-engineered plants and foods. The WTO ruling, which is to be final in December, will have more influence over life and death on this planet than most imagine.

The ruling was issued by a special three-man tribunal of the World Trade Organization, in Geneva Switzerland. The WTO decision will open the floodgates to the forced introduction of genetically-manipulated plants and food products- GMO, or genetically-modified organisms as they are technically known- into the world's most important agriculture production region, the European Union.

The WTO case arose from a formal complaint filed by the governments of the United States, Canada and Argentina—three of the world's most GMO-polluted areas.

The WTO three-judge panel, chaired by Christian Haberli, a mid-level Swiss Agriculture Office bureaucrat, ruled that the EU had applied a 'de facto' moratorium on approvals of GMO products between June 1999 and August 2003, contradicting Brussels' claim that no such moratorium existed. The WTO judges argued the EU was 'guilty' of not following EU rules, causing 'undue delay' in following WTO obligations.

The secretive WTO tribunal also ruled, according to the leaked document, that in terms of product-specific measures, the completion of formal EU government approval to plant specific GMO plants had also been unduly delayed in the cases of 24 of 27 specific GMO products that the European Commission in Brussels had before it.

The WTO tribunal recommended that the WTO Dispute Settlement Body (DSB), the world trade policeman, call on the EU to bring its practices 'into conformity with its obligations under the (WTO's) SPS Agreement.' Failure to comply with WTO demands can result in hundreds of millions dollars in annual fines.

Trade über Alles

SPS stands for Sanitary and Phytosanitary Measures. On the surface it sounds as if health concerns were part of the WTO considerations. The reality is the opposite. Only minimal health standards are to be allowed to be enforced under WTO free trade rules, and any nation attempting anything more strict, such as the EU ban on import of US hormone-fed beef, can be found guilty by WTO of an 'unfair restraint of trade.'

Today the EU must pay a fine of \$150 million yearly to maintain its ban on the US hormone-fed beef. WTO rules in effect put free-trade interests of agribusiness above national health concerns. That means, de facto, that the EU Commission must complete its approval process for the 24 outstanding applications to plant GMO crops in Europe once the final ruling is made later this year.

That will mean a flood of new GMO products in EU agriculture. Monsanto, Syngenta and other GMO multinationals have already taken advantage of lax national rules in new EU member countries such as Poland to get the GMO 'foot-in-the door.' Now it will be far easier for them. Pro-GMO governments such as that of Angela Merkel in Germany can claim they are only following WTO 'orders.'

What is the significance of this WTO ruling, assuming it remains as is in final form by December? It represents a major, dangerous wedge into largely GMO-free EU agriculture, permitting powerful agribusiness multinationals such as Monsanto, Dow Chemicals or DuPont to overrun national or regional efforts to halt the march of GMO. For this reason, it is potentially the most damaging decision in the history of world trade agreements.

A strategic Washington matter

The case first came before the World Trade Organization in a filing made by the Bush Administration in May 2003, just as the military occupation of Iraq was entering a new phase. The US President held a rare press conference to tell the world that the US was formally charging the EU, accusing the EU 'moratorium' on GMO approval of being a cause of starvation in Africa. Their twisted logic argued that so long as a major industrialized region such as the EU resisted planting GMO crops domestically, it caused sceptical African governments to harden their resistance to US food aid in the form of GMO crops. That, Bush charged, was causing unnecessary 'starvation' in Africa because some countries refused USDA food aid in form of GMO crop surpluses.

The issue of breaking resistance barriers in the European Union to the proliferation of GMO crops has been a matter of the highest strategic priority for those controlling policy in Washington since 1992 when then-President George H.W. Bush, the father of the current President, issued an Executive Order proclaiming GMO plants such as soybeans or GMO corn to be 'substantially equivalent' to ordinary corn or soybeans, and, therefore, not needing any special health safety study or testing.

That 'substantial equivalence' ruling by President Bush in 1992 opened the floodgates to the unregulated spread of GMO across the American agriculture landscape. As basis for its 2003 WTO filing against the EU, Washington, on behalf of agribusiness interests including Monsanto, Dow, DuPont and others, charged the EU with violation of the American 'substantial equivalence' doctrine!

So long as the world's second most powerful agriculture trade region, the EU, firmly resisted the introduction of untested GM plants, the global spread of the GMO revolution would remain strategically crippled. For the past decades, breaking up the system of domestic agriculture protection of the EU, centered around its Common Agriculture Program, has been a strategic political and trade goal of the US Government and US-based agribusiness. The creation of the WTO in 1995, a result of the GATT Uruguay Round trade talks during the 1980's, opened the possibility for the first time of forcing the EU to drop its defenses on US threat of sanctions.

The secret process behind WTO

When the final WTO Panel ruling is published and official this coming December, assuming no major changes take place in the 1,050 page preliminary ruling of February 7, a major barrier to the global spread of largely untested and highly unstable genetically modified foods will be gone. This will become unstoppable, as it was in the USA, unless political pressure from a sceptical European population forces the EU Commission to pay a WTO fine or penalty, in lieu of acceding to the demands of the WTO.

It's relevant to ask what is this body, WTO which exercises such enormous power over laws of nations? What is its mandate and who controls its policies?

The negotiations of world trade since the establishment of the Bretton Woods postwar monetary system at the end of World War II, had been made through a General Agreement on Tariffs and Trade (GATT), a series of trade rounds on specific issues between specific member countries. In September 1986, on US-led pressure, the Uruguay Round of GATT was launched in Punta del Este Uruguay. The result was creation of a new, powerful private international agency, the WTO.

In late 1994 the US Congress voted to join the WTO, the new permanent trade body established by the GATT Uruguay Round. There was almost no debate. It was clear in Washington who would dominate the new body. Unlike GATT which had no enforcement power, and which required unanimous member vote for sanctions, the WTO would be given tough sanction and enforcement powers. More important, how it reached decisions was to remain secret, with no democratic oversight. The most vital issues of economic life on the planet were to be decided behind closed doors in Geneva WTO headquarters or in Washington and Brussels. It could choose its 'experts' as it saw fit and ignore what evidence it saw fit. In the EU GMO dispute, three of four initial scientific experts chosen were from either US or UK institutions, two countries most in favour of GMO. (1)

Two years earlier, in 1992, at the UN Convention on Biological Diversity (CBD) in Rio, 175 UN governments signed a convention to on the safe handling and treatment of GMOs, a major vote of the world community to examine the health and economic impacts of GMO agriculture before it could be allowed in a country. The US Government of President George Bush Sr. aggressively opposed the CBD, arguing that a Biosafety Protocol was unnecessary. Under the CBD agreement, a country could prohibit GMO imports.

The GMO industry, led by Monsanto, DuPont and Dow of the US, sabotaged this agreement. A group of six countries controlling the world Biotech or GMO market—Canada, Argentina, Uruguay, Australia Chile and USA- forced a clause into the CBD text which would subordinate the Biosafety Protocol to the WTO. They argued that limiting trade based on 'unproven' biosafety concerns should be considered a 'barrier to trade' under WTO rules!

Traditional liability law holds that a new product must first be proven safe before being allowed on market. This WTO rule placing the burden of proof not on the producer of a new GMO product, but on the potential victims, turned prudence and health safety issues on its head. In the end the US destroyed the Biosafety Protocol by refusing to include soybeans and corn, 99% of all GMO products, making the Protocol near worthless regarding GMO health issues.

The WTO serves as the weapon for the powerful coalition of Washington and the powerful

private GMO giants, led by Monsanto. Earlier in 1992, Bush, on advice of Monsanto and the emerging US GM giant companies, ruled that GM organisms were 'substantially equivalent' to ordinary seeds for soybeans or corn and such. As 'substantially equivalent,' GM seeds required no special testing or health controls before being put on the market. This was crucial to the future of Monsanto and the GMO lobby.

By Presidential Executive Order, the US had defined GMO seeds as harmless and hence not needing to be regulated for health and safety. It made sure this principle was carried over into the new WTO in the form of the WTO's Sanitary and Phytosanitary Agreement (SPS), which stated, 'Food standards and measures aimed at protecting people from pests or animals can potentially be used as a deliberate barrier to trade.' The US charge against the EU in the present GMO dispute charged the EU with violation of the SPS agreement of WTO.

Other WTO rules in the Agreement to Technical Barriers to Trade (TBT) forbid member countries from using domestic standards or testing, food safety laws, product standards, calling them an 'unfair barrier to trade.'

The impact of those two US-mandated WTO rulings meant that Washington could threaten that any government restricting import of GM plants on grounds they might pose threats to health and safety of their population, could be found to be in violation of WTO free trade rules!

This is what the US Government, on behalf of its agribusiness private corporations has done against the EU restrictions on GMO.

Under the WTO's Technical Barriers to Trade, the US has argued that no labelling of GMO plants was required, as the plants have not been 'substantially transformed' from normal or non-GM soya, corn or other plants. This conveniently ignored the fact that Washington simultaneously insisted that GMOs, due to the genetic engineering process, are sufficiently transformed, i.e. NOT equivalent, to be patented as 'original', and protected under WTO TRIPS intellectual property patent rights. (2).

The Agreement on Agriculture

The heart of the WTO machinery is the WTO Agreement on Agriculture (AoA), which under the sheep's wool of 'free trade,' hides the wolf of private agri-business GMO monopoly power. Under AoA rules, since 1995 poorer developing countries have been forced to eliminate quotas and slash protective tariffs, at the same time the Bush Administration voted to increase its subsidies to US agribusiness farming by \$80 billions.

The net effect has been to allow the powerful monopoly of five grain trading giants—Cargill, ADM, Bunge, Andre (formerly) and Louis Dreyfus—to dramatically increase the dumping of food commodities globally, ruining millions of family farmers worldwide in the process, while maximizing their private corporate profits.

The AoA of WTO ignores the reality of agriculture markets which are qualitatively different from, say, the market for cars or CD's. Agriculture and national food safety and security are at the heart of a nation's sovereignty, and its obligation to its own citizens to support the basics of life. Agriculture is unique in this respect, along with water rights.

The AoA was written by the US-dominated agribusiness giants such as Cargill, ADM, Monsanto and DuPont, to serve the agenda of these global supranational private companies,

whose sole aim is to maximize profits and market monopoly, regardless of human consequences. Their focus is the domination of the \$1 trillion global agriculture trade. The actual author of the AoA of WTO was Daniel Amstutz, a former Vice President of Cargill Grain, who was at the time in the Washington US Trade Representative's Office, before going back to the grain trade.(3).

Who controls WTO?

The essential control of WTO decisions, decisions which have the full power of international law and can force governments to repeal local laws for health, safety and such is held by private interests, by a global US-centered agribusiness cartel. There are no public or democratic checks on the power of WTO.

On paper, WTO rules are made by a consensus of all 134 member countries. In reality, four countries, led by the United States, decide all important agriculture and other trade issues. As in the International Monetary Fund and World Bank, Washington exercises decisive control behind the scenes. And it does so in the interest of the private agribusiness cartel.

The four WTO controlling countries, known as the QUAD countries, are USA, Canada, Japan and the EU. In the QUAD, in turn, the giant agri-business multinationals exercise controlling influence, most clearly in Washington.

The WTO is designed to impose the wishes of giant private companies over the legitimate democratic will of entire nations and duly-elected governments. WTO has one mission: enforce rules of a 'free trade,' an agenda which is in no way genuinely 'free' but rather suits the needs of agribusiness giants.

Under the secretive WTO rules, countries can challenge another's laws for restricting their trade. The case is then heard by a tribunal or court of three trade bureaucrats. They are usually influential corporate lawyers with pro-free trade bias. The lawyers have no conflict of interest rules binding them, such that a Monsanto lawyer can rule on a case of material interest to Monsanto.

Further, there is no rule that the judges of WTO respect any national laws of any country. The three judges meet in secret without revealing the time or location. All court documents are confidential and are not published unless one party releases it. It is a modern version of the Spanish Inquisition, but with far more power.

The EU banned the import of US beef treated with growth and other hormones, and the US lodged a formal WTO complaint. There was a long report from independent scientists showing that the hormones added to US beef were 'cancer-causing'. The WTO three judge panel ruled that the EU did not present a 'valid' scientific case to refuse import, and the EU was forced to pay \$150 million annually for lost US profits. (4).

The powerful private interests who control WTO agriculture policy prefer to remain in the background as little-publicized NGO's. One of the most influential in creating the WTO is a little-publicized organization called the IPC- the International Food and Agricultural Trade Policy Council, shortened to International Policy Council.

The IPC was created in 1987 to lobby for the GATT agriculture rules of WTO at the Uruguay GATT talks. The IPC demanded removal of 'high tariff' barriers in developing countries, remaining silent on the massive government subsidy to agribusiness in the USA.

A look at the IPC membership explains what interests it represents. The IPC Chairman is Robert Thompson, former Assistant Secretary US Department of Agriculture and former Presidential economic adviser. Also included in the IPC are Bernard Auxenfans, Chief Operating Officer, Monsanto Global Agricultural Company and Past Chairman of Monsanto Europe S.A.; Allen Andreas of ADM/Toepfer; Andrew Burke of Bunge (US); Dale Hathaway former USDA official and head IFPRI (US).

Other IPC members include Heinz Imhof, chairman of Syngenta (CH); Rob Johnson of Cargill and USDA Agriculture Policy Advisory Council; Franz Fischler Former Commissioner for Agriculture, European Commission; Guy Legras (France) former EU Director General Agriculture; Donald Nelson of Kraft Foods (US); Joe O'Mara of USDA, Hiroshi Shiraiwa of Mitsui & Co Japan; Jim Starkey former Assistant US Trade Representative; Hans Joehr, Nestle's head of agriculture; Jerry Steiner of Monsanto (US). Members Emeritus include Ann Veneman, former Bush Administration Secretary of Agriculture and former board member of Calgene, creator of the Flavr Savr genetically-modified tomato.

The IPC is controlled by US-based agribusiness giants which benefit from the rules they drafted for WTO trade. In Washington itself, the USDA no longer represents interests of small family farmers. It is the lobby of giant global agribusiness. The USDA is a revolving door for these private agribusiness giants to shape friendly policies. GMO policy is the most blatant example.

Brussels also dominated by GMO lobby

The power of the giant GMO companies and US-centered agribusiness companies extends to control of key policies in Brussels at the European Commission. Typical is the fact that former EU Agriculture Commissioner Franz Fischler is a member of the powerful pro-GMO IPC.

For years it has been common knowledge among EU farm experts that grain policy was not set by national governments but by the Big Five private grain traders led by Cargill and ADM. Now the powerful weight of Monsanto, DuPont, Syngenta and the GMO lobby has been added. This is clear in the recent announcement of a new EU program, SAFEFOODS, a successor to the controversial pro-GMO ENTRANSFOOD project. ENTRANSFOOD was set up to 'facilitate market introduction of GMO's in Europe, and therefore to bring the European (sic) industry into a competitive position.'

ENTRANSFOOD, now called the more innocuous SAFEFOODS, claims to combine different views on GMO food. In reality, its key Working Group 1, responsible for 'Safety Testing of Transgenic Foods' consists of representatives not from independent consumer organizations, but from Monsanto, Unilever, Bayer Corp., Syngenta and BIBRA International, a consultancy close to agribusiness and the pharmaceutical industry.

As well, Dr. Harry Kuiper, a Dutch scientist member of the food safety GMO group of SAFEFOODS in Brussels, is Coordinator of SAFEFOODS. Kuiper chairs the EU European Food Safety Authority GMO Panel. He also has also been leading the vicious slander attack campaign to discredit genetic scientist Dr Arpad Pusztai who dared to go public with alarming evidence of organ damage from rats fed GMO potatoes and was fired on the intervention of Monsanto in 1999.(5).

The WTO today is nothing more than the global policeman for the powerful GMO lobby and

the agribusiness firms tied to it.

With the new German coalition government under Chancellor Angela Merkel and Agriculture Minister Horst Seehofer now officially on record supporting the role of Germany as a future leader in biotech crops and GMO, the impact of the latest WTO ruling on food safety in the EU and beyond has put European and hence, world food safety world in danger.

Footnotes:

1. Abreu, Marcelo de Paiva, "Brazil, the GATT and the WTO: History and Prospects", September 1998, Department of Economics, PUC, Rio de Janeiro, No. 392.

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5. PR Operation on GM Foods again exposes EFSA industry-bias," Press release, 29.12.2004. www.gmwatch.org .

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