February 2003

Briefing

Friends of the Earth

GM Trade War Looms

How will the World Trade Organisation handle the US/EU food dispute?

The World Trade Organisation's (WTO) Dispute Resolution Mechanism decides who wins and who loses in international trade wars. Friends of the Earth exposes what really happens in this highly secretive mechanism, and explores what may happen now that the US has carried out its repeated threat to make a formal complaint against the European Union over GM food.

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What's up? And why now?

There has been considerable noise generated by the US about the debate over genetically modified foods (GM foods, that is foods containing ingredients that have been genetically manipulated to contain DNA from more than one organism and/or food derived from GM crops). Statements to the press about a possible trade dispute over GMOs may seem worrying to anyone concerned about who makes decisions about the food we eat.[1] Yet US concerns about EU policies on GM are not new – the US has been threatening to initiate a dispute over the EU's de facto moratorium on approving new GM crops and foods, and then backing off repeatedly, for years.

Statements such *as "the Bush administration is stepping up pressure on the European Commission to approve imports of a dozen crops made with genetically modified organisms, warning that a continuation of the moratorium could escalate into a serious trade dispute,"* (18 December 2001) and, *"The top US trade official said yesterday he was ready to launch a World trade Organisation challenge against the European Union over its refusal to lift a de facto moratorium on the approval of new genetically modified crops,"* (10 January 2003) are barely distinguishable.[2]

What is new is the precarious position in which GM agricultural technology finds itself. Apart from this new dispute, in August 2002 it was discovered that, for the second time, GM contaminated oil seed rape seed had been supplied to and mistakenly planted in the UK.[3] Last year, US and EU biotech companies had to spend millions to defeat an official ballot in the US state of Oregon to institute a tough labelling scheme for GM foods, and the GM giant Monsanto had to warn for the second time in 12 months that their profits were set to be lower than forecast.[4] While Prime Minister Tony Blair continues to support the technology, up to 70% of the European public have told pollsters they don't want GM food. Mr Blair's plans for a genuine nationwide public debate on the issue haven't yet materialised, possibly because no one in Government seems to have been able to find adequate funding for the exercise.[5]

Launching a full-blown dispute through the World Trade Organisation (WTO) in the face of such hostility will be a tricky affair. The hawks, including the powerful forces of global agribusiness, want the dispute because they feel the EU is costing them money (either by preventing GM foods from going to market or by insisting on special labelling). The wider EU/US trade context shows fierce lobbying by a host of US big business interests attacking EU regulations for introducing new products and technologies in areas from chemicals to computes to cosmetics – GM food is only one battle in this growing rift.[6] Yet a row in the WTO over GM in the current climate would likely be long and costly in more ways than one, and any victory for the US could prove pyrrhic, as it may only serve to increase opposition to the technology and the powers that promote it.

This briefing examines how the WTO disputes resolution mechanism works and how it has treated similar US/EU rows over food in the past. It will uncover how:

- the mechanism is a highly secretive body that suffers from a number of the inherent flaws also seen in the wider WTO, including corporate bias and expense that all but bars developing countries from participating;
- the rules and principles of the WTO give it an inbuilt bias against the European Union's precautionary approach to GM food and crops; and

- while the mechanism may 'resolve' disputes, it does not do so fairly, transparently or democratically.

Friends of the Earth believes it is vital to lift the veil of secrecy surrounding the WTO disputes mechanism in order to help expose the chronic problems associated with the mechanism itself, to enable a wider range of discussion about how the WTO actually works, or doesn't, and to expose the process any dispute over GM would have to follow.

How it works - in theory

The 146 nations who make up the WTO are all subject to the dispute settlement mechanism, which decides questions of 'violation' of WTO trade rules brought by countries. (Countries are the only legal entities that may bring cases. Companies cannot file cases, although there are discussions underway in some areas of the WTO that may in future allow companies to challenge Governments directly, particularly in relation to "New Issues" such as investment).

The dispute resolution mechanism:

- sets strict time frames for the dispute settlement process;
- establishes an appeals system; and
- provides mechanisms for automatic progression to the next level if states ignore complaints.

This procedure is supposed to provide *"security and predictability to the multilateral trading system"* to achieve "*mutually acceptable"* results that are *"consistent with the covered agreements"*.[7]

There are five basic stages to a dispute:

Consultation: once a complaint has been lodged, the offending country has 10 days to respond to it, or the dispute moves directly to a request to establish a panel;

Good offices, conciliation and mediation: various activities that attempt to get the parties to "settle out of court", which is encouraged;

Panel: failing the above, the WTO makes proposals for panellists, which countries should not challenge without "compelling reasons".

Normally a panel is made up of three people, but it can be five if all parties agree. *"Panels shall be composed of well-qualified governmental and/or non-governmental individuals,"* whose governments are not the disputing countries (unless everyone agrees otherwise), *"with a view to ensuring the independence of the members".*

Any WTO member with "*a substantial interest in a matter before a panel"* can submit evidence, orally or in writing.

After considering all submissions (normally within six months from their formation), the panel writes a report of its findings. Interim reports are also sometimes issued. If any party to the dispute gives written comments on a report, the panel *"shall hold a further meeting with the parties".* If no comments are received, the report is considered final and is circulated and is

normally adopted as final within sixty days unless an appeal is lodged or there *is "consensus not to adopt the report"*.

Appeal: There is a standing Appellate Body *"composed of seven persons, three of whom shall serve on any one case… [chosen for] recognised authority, with demonstrated expertise in law, international trade and the subject matter of the covered agreements generally".* Appeals only consider matters of WTO 'law'. The Body meets, deliberates and decides in secret, allegedly to protect individual members from retaliation by unhappy countries. The appeal report can *"uphold, modify, or reverse the legal findings and conclusions of the panel".* The report is final unless there is a consensus not to adopt the report within thirty days.

Remedies: The dispute panel issues recommendations as to what an offending nation may do to comply with WTO rules. If it fails to do so within the determined *"reasonable period of time",* the aggrieved country may request negotiations for compensation (eg, payments or trade sanctions). If negotiations are not concluded and results agreed within 20 days, the complainant can request that normal rules of trade with that country be suspended (i.e. they can ask for permission to carry out trade sanctions in retaliation). Such remedies are supposed to be in the same sector as the dispute, but if the complainant feels this is insufficient they can request wider scope, which has to be decided/granted within 30 days. If the defendant objects to the level of sanction ('sanction' is not in fact a word used by the WTO itself, nor is 'retaliation') the original dispute panel, if available, or an arbitrator appointed by the WTO Director-General may conduct arbitration.[8]

How it works – in practice

The WTO was founded on 'free trade' principles, and the trade specialists who 'resolve disputes don't look sympathetically on countries setting up so-called barriers to trade, even those intended to safeguard the environment or human health. The highly secretive WTO disputes resolution mechanism is also heavily influenced by big business, including the powerful multinationals running the GM trade, often through influence on the standards relied on by WTO in settling disputes (see following material on the WHO *Codex Alimentarius*).

In the 47 years of the GATT (the General Agreement on Trade and Tariffs - the international trade body in place before the WTO) only around 200 cases were disputed. In the first three years of the WTO, 118 complaints were brought, dealing with 83 distinct matters. Nine of these cases went through the entire process, resulting in the adoption of appellate reports.[9]

Previously panel findings could only be adopted on consensus of all parties, giving countries a powerful but rarely-used means of vetoing findings in favour of national sovereignty or other vital concerns. The revised mechanism now in use requires consensus of all parties *to reject* a panel finding. This means the WTO can override democratically arrived at national legislation which affects trade, even when this legislation concerns human health or environmental protection.[10] There are also other concerns including the strict secrecy surrounding decision making and the potential for unilateral sanctions to be imposed.

Two cases studies show how the dispute resolution theory works in practice and show how any complaint about GM is likely to be treated if the US does lodge a formal dispute with the mechanism.

I. Democracy doesn't count – the beef hormone row

Summary: *When the US filed a complaint with the WTO over the EU's refusal to import hormone-treaded beef on human health grounds, the US won. The EU appealed and lost again. However, the EU stood by its convictions and refused to obey the WTO ruling. This sparked a series of retaliations and counter-retaliations between the parties. The case has worrying similarity to the GM issue.*

Consultation and good offices, conciliation and mediation: In 1989, despite claims of safety by US industry (95% of all US beef is hormone treated), the EU applied the internationally recognised precautionary principle and imposed a ban on the import of hormone-treated beef.[11] The ban on six growth hormones has is still in place (and in fact was recently formalised, see below). It has a negative effect on the beef industries in the US and on hormone manufacturers.[12] US farming groups entered into a flurry of lobbying to protest at the damage the EU ban would do to their businesses.

Panel: So in 1996 the US trade representative (USTR, then Micky Kantor - now a board member of Monsanto) filed a WTO complaint against the ban. Losses were claimed of about $100 million annually. Canada, Australia and New Zealand joined the complaint. The Panel found against the EU on a number of grounds.[13]

The WTO decision was based on *Codex Alimentarius*, the international food code devised by a World Health Organisation body charged with developing uniformity in food standards. (The WTO applies and follows international norms and standards, like the *Codex*.) The main job of the *Codex* Commission is *"protecting consumer health, ensuring fair trade practices in the food trade, and promoting coordination of all international food standards work"*.[14] The organisation is made up of government representatives and official "advisors" from the business sector. *"National delegations are led by senior officials appointed by their governments. Delegations may, and often do, include representatives of industry, consumers' organizations and academic institutes."*[15] Transnational companies (TNCs), including agribusinesses and biotechnology giants, participate in *Codex* meetings and exert considerable influence in determining the positions taken by Governments. Monsanto are particularly active in Codex and company representatives form part of National Delegations to Codex meetings. Unsurprisingly Codex standards are lax, allowing the presence in food of hazardous chemicals banned in many countries, including pesticides rated *"highly dangerous"* by the WTO.[16]

So industry lobbyists sit on the group that sets the standards their own products must meet, as well as being heavily involved in lobbying governments directly on a variety of topics about their businesses, including WTO proceedings. Bias toward big business is inevitable.

Appeal: In 1997 the EU appealed, arguing that the ban is non-discriminatory as it is applied to all producers, stating exporters such as Australia, Argentina, New Zealand and Brazil all agreed to ship hormone-free meat to the EU. The appeal finding modified the original panel's findings, but still ruled against the EU ban. This allowed both sides to claim victory.

The appeal rejected the US claim that the EU import ban was purely *"protectionist"*. However, while the ruling upheld the panel's decision that the EU could use higher food standards than those of *Codex* if the need was scientifically proved, the EU's use of the precautionary principle to protect human health was found to be in breach of WTO rules that

assert the primacy of trade above all other considerations (see below for more on the EU use of the precautionary principle).

In addition, the appeal rejected the EU objection to two of the panel's 'experts', one of whom had links with the biotechnology industry, who were closely allied to the matter at hand. Neither were arguments about consumer preference sympathetically heard.[17]

Strangely, the appeal did find that the EU would be justified in banning beef if the hormones were not administered *"in accordance with good animal husbandry*". This point could be of much wider significance because it relates to a process and production method (PPM) rather than the actual product itself. It remains to be seen whether this is interpreted as allowing discrimination on the grounds of PPMs, which might have implications for GM.[18]

Remedies: In 1999 WTO arbitrators determined that the US was entitled to retaliate to the sum of US$116.8 million per year, and Canada to the sum of C$11 million. Various sectors were targeted with 100% tariffs, such as French mustard and Roquefort cheese, sparking off strong counter-retaliatory actions from French farmers and threats of other EU-wide counter-retaliation.[19]

EuropaBio, the pan-European lobby group for the biotech industry, pressed the European Commission to lift the ban. However, counter-pressure from consumer protection organisations and other NGOs made this politically difficult.[20] The EU decided not to lift its ban, despite the WTO ruling, citing human health, consumer preference and animal health grounds.

The EU then attempted to make its ban compatible with WTO rules. In May 2000 the EC, following a scientific committee opinion, proposed to ban definitively the use of one hormone and to maintain the current prohibition on the five other hormones on a provisional basis while it sought more complete scientific information. The EU's effort sought to replace its eleven-year old ban with a new provisional ban in order to bring it into compliance with the WTO appeal decision. Then in December 2002 EU Ministers reached agreement on the Commission's proposal to amend Directive 96/22/EC, thereby making the current temporary legislative ban permanent. It remains to be seen how the US will respond to this development, but it could appeal to the WTO for compensation.

The US accused the EU of lack of leadership, honour and responsibility. It claims the EU ignores science in favour of political expediency, *"not just on the hormone issue, but on other issues such as agricultural biotechnology",* which sets an ominous tone for any future GM dispute. It accuses the EU of undermining and reneging on the WTO and inviting others to do so too. Yet when the US is asked to give up elements of its own sovereignty to the Kyoto Protocol or to the International Criminal Court, it refuses to do so.[21] The US Administration says *"we must move these bilateral trade issues out of the realm of politics and back to the realm of sound science where they belong".* Yet the US administration maintains a very close relationship with the biotechnolgy industry backing GM and employs some highly politically motivated trade policies, like the recent increases in agricultural subsidies and the Byrd Amendment, found by the WTO disputes resolution mechanism to be in breach of the WTO Antidumping Agreement on 16 January 2003.[22]

Analysis: There is considerable political fall-out from the beef hormone case. The ongoing row between two such huge traders is seen as a threat to the WTO trade system itself. The

case is also seen as a dry run for GM, which has the same issues of scientific proof, use of the precautionary principle, public interest, biotech industry power and political manipulation, and food standards. Interestingly, the US "explored" the option of labelling US beef in exchange for lifting the ban, but the EU has not taken up the offer.[23] It would seem that labelling US beef products is acceptable to the US, but labelling US GM products is problematic. How the US makes this argument remains to be seen.

II. Anti-poverty measures don't count either – the banana wars

Summary: *When the US brought a WTO complaint against the EU over trading policies that favoured small Caribbean banana producers, the US won. The WTO found that such policies violated several WTO rules about how countries are allowed to set their trade policies. The EU lost an appeal and attempted to revamp its policies to bring them into conformity with the WTO. Complaining that the reforms were unsatisfactory, the US attempted to impose trade sanctions in totally unrelated industries before the WTO decision making procedure was even completed. Their new complaints were also upheld, and pressure mounted on the EU to scrap its policies.*

Consultation: In 1993 and again in 1994, the GATT ruled that Europe's banana policies were illegal. Europe ignored both GATT rulings in favour of supporting small Caribbean producers with historical ties. In 1994, Chiquita, together with the Hawaiian Banana Association, filed a complaint to the US Government about the EU banana importing regime, citing it as detrimental to their and US interests. They estimate that annual aggregate harm to US and Latin American interests has been more than US$2 billion. As Chiquita lubricated their hard lobbying of the US Government with ample donations to both Democratic and Republican Parties, pressure from a concerned cross-party banana-loving alliance mounted and led to the launch of a full USTR investigation on the grounds of possible discrimination against the US.[24]

Panel: In 1996 the USTR (then Micky Kantor, as in the beef hormone case above) found that the EU regime was indeed harming US economic interests by discriminating against US firms. The announcement that the US would file a formal complaint to the WTO was made at nearly the same time as a donation to the Democratic Party of some US$500,000 was made by the chairman of Chiquita, Carl Lindner.[25] Shortly afterward, Ecuador, Guatemala, Honduras and Mexico joined the complaint.[26]

The USTR also announced that both Colombia and Costa Rica were harming US interests in relation to the allocation of their EU tariff quotas. The US threatened them with trade sanctions if they did not support the US WTO complaint *and* reallocate some of their import licenses to US firms. In the face of such strong persuasion, they did both.

In May 1997, the panel ruled against the EU finding they violated most favoured nation status, national treatment (both WTO standards about how governments may treat foreign and domestic companies), as well as quantitative restrictions.

Appeal: The EU appealed arguing that the US shouldn't be able to bring such a complaint. *"The US has no actual or potential trade interest justifying its claim, since its banana production is minimal, it has never exported bananas, and this situation is unlikely to change due to climatic and economic conditions in the United States."* [27] This didn't work. The appeal ruling said those with a substantial interest and *"potential future"* exports could complain.

These rulings are seen as significant precedents for trade in agriculture, services (under GATS, the General Agreement on Trade in Services, currently under negotiation) and any future New Issues such as investment.[28]

Remedies: Following WTO arbitration, the EU was given 15 months to bring its banana regime into full conformity with WTO rules.

In June 1998, the EU adopted reforms. These were seen by the US as even worse in WTO terms than the original scheme and were expected to be even more damaging to US and other interests. It was argued that this was the first case of non-compliance by a WTO member.[29]

Honduras and Ecuador were not satisfied with the EU's new regime, so Ecuador called for a WTO panel decision. Attempting to avoid waiting for procedures to be followed, the US threatened over US$500 million worth of unilateral trade sanctions against a variety of EU products, including Scottish Cashmere sweaters, bath products, batteries and folding cartons. The EU threatened counter-retaliation if the US carried out these threats, so the US changed tack and waited for the panel ruling.[30]

In April 1999 the WTO ruled the EU's new regime to be incompatible with WTO rules and subsequently authorised the US to impose sanctions of $191 million on a range of EU goods. The EU has decided not to appeal against this latest ruling and has said that it will comply with the WTO's recommendations.

Analysis: The dispute seems to have been costly for both the US and EU. The EU stalled and delayed to put off bringing their banana importing regime into WTO compliance. The US strong-arm attempt to retaliate before the process had run its course and to 'encourage' smaller countries to support it doesn't say a lot for the integrity of the mechanism itself, or the WTO's claimed ability to make trade 'fair' on a 'level playing field'.

It should be noted that Ecuador, not strong enough to impose sanctions on the EU itself as the US tried to do, should benefit from the situation. However, Ecuador's Ambassador to the UK said in April 1999 *"what lies at the heart of the EU/US trade dispute is the commercial interest of these superpowers. The interests of the developing countries where bananas are grown have been totally obscured."*[31]

Where to now – and what about GM?

The consequences of a finding against the EU on GM would be serious: the EU may no longer be able to maintain its moratorium on GM crops. In future it may not be able to implement decisions to label food containing GM ingredients, thus eliminating consumers' rights to choose not to eat GM food. If European countries responded to the concerns of their citizens by attempting to enforce such laws, the WTO could grant the US sweeping rights to retaliate with tariffs and restrictions on a wide range of EU goods. If the EU retaliated in turn, a full-blown trade war could easily result. A WTO finding against the EU would also act as a warning to other countries who might take a different view on GM to that of the US.

The problems with the WTO and its dispute resolution mechanism that would affect any US/EU dispute over GM include:

Big Business manipulation of the system

As seen in both the cases above, it was pressure from TNCs that prompted the initiation of the complaints from the US. It is rumoured that the US is being egged on by formidable US biotechnology industry lobbyists to bring a WTO complaint about EU GM policies.

Perhaps more worryingly for the future, the Sierra Club notes that TNCs are very keen to be able to use the WTO dispute mechanism itself, and there are suggestions that this should be allowed.[32] At the special negotiating session about the mechanism on 10-11 September 2002, the US tabled a proposal for achieving what it calls a *"more open and transparent process"* that would considerably extend the power of big business in the dispute process. The plan suggests drawing up *"guideline procedures"* for handling so-called *amicus curiae* (friend of the court) briefs – that is submissions from parties not directly involved in the case but admitted to advise the panel, like perhaps members of the biotech industry in a GM case. The proposal met strong opposition from many member states, mostly from the developing world, who already demand improved access to dispute settlement proceedings and more effective enforcement mechanisms. They argue that allowing unsolicited submissions by non-parties to a dispute would give third parties more rights in dispute settlement proceedings than members have themselves. Clearly there would be serious concerns if this allowed TNCs to submit directly to the mechanism.[33]

It is important to remember that it is only so-called trade barriers that can be disputed through the mechanism. These barriers (like import taxes, restrictions on quantities or other means governments have of regulating and protecting trade) show up as problems when countries try to harmonise their trade regimes with WTO rules. Ultimately the removal of these barriers means an increase in the scope and power of TNCs, which flourish in deregulated systems. It acts against non-trade and/or public concerns, like environmental protection and labour rights, which are seen as trade distorting.

Perhaps even more worrying, there is talk in the context discussions about introducing a highly controversial new round of negotiations on New (or 'Singapore') Issues (investment, competition, Government procurement and the like) of setting up an *"investor to state"* dispute settlement mechanism in the WTO, that would allow companies to sue countries directly through the WTO.

TNCs want to get involved in harmonisation discussions and process, like the *Codex* described above, and other standard setting bodies, like the International Standardization Organisation (ISO)*, "a non-governmental organization… that promotes the development of standardization and related activities in the world with a view to facilitating the international exchange of goods and services…ISO's work results in international agreements which are published as International Standards."*[34] If they can sit on the bodies that set the standards as well as lobby Governments when other countries baulk at those standards, TNCs can wield considerable power in the international trading scheme. Some argue that by shifting the work of defining, monitoring and enforcing such standards away from governments and toward bodies influenced or run by industry, the whole system is effectively privatised.[35]

Lack of democratic accountability

Commenting recently on the US threats of a WTO trade war, EC Commissioner Pascal Lamy said, *"some Europeans dislike GM. So do some Americans. We believe that citizens should*

be free to choose…This is not about the USA. This is simply what Europe wants to do in Europe's own interest." [36] Mr Lamy is acting in a democratically responsible manner in this matter by representing what the people of Europe want. But this may differ from what WTO rules state.

The WTO dispute resolution process is accused of being secretive, biased, exclusive, without checks and balances against conflicts of interest and overly powerful, indeed coercive. In many cases panel and/or appeal members have no experience of any non-legal questions put before it, like environmental or public concerns, and the qualifications required ensure that most are ardent free-traders.

Since WTO rules require that all new and future laws enacted by members must also comply with WTO rules, the WTO has a chilling effect on all non-trade elements of legislation, even for example on child labour. Countries amending or enacting new legislation are forced to ensure that there are no social or other protections included that would violate WTO rules.[37] This all gives the process a big in-built bias in favour of big business, already in the corridors of power and able to speak to decision makers.

Complaining countries win the vast majority of WTO disputes. Of considerable concern is that many developing nations do not have the resources to mount or defend a case, which leaves them unable to defend themselves and open to coercion, as seen above.[38] Furthermore, countries with large, strong economies can, as also seen above, disregard WTO findings if they choose, or can take different positions on the same issue in different disputes, as with GM labelling. Smaller, more vulnerable countries obviously cannot, putting them at a distinct disadvantage.

As with so many other WTO processes, one size does *not* fit all, and the smallest players, be they countries or citizens, are least able to do anything to protect themselves.

Use of precaution

As Commission Lamy explains use of the precautionary principle in relation to GM:

> *"Scientists everywhere in the world acknowledge that foods may be toxic, provoke allergies or create environmental problems, be they GM or non-GM. On the human-health front, the US approach is to allow marketing without prior testing of GM foods that are deemed to be "substantially equivalent" to the non-GM variety. Many scientists question whether this is a sufficient basis for regulatory approval. In Europe, we do more thorough testing on every GM variety."* [39]

As seen above, the WTO disputes resolution mechanism found use of the precautionary principle to be in breach of WTO rules in importing of hormone-treated beef. There is little reason to anticipate a change in that attitude, so the implications for GM are disturbing. Clearly there is a considerable discrepancy between the EU approach to protecting human health and the WTO approach to protecting trade.

Lack of transparency

The secrecy of the entire dispute process is impressive. The views of panellists may not be

identified, there is no complete published evidence or deliberation and the press are locked out. In fact the only procedural rule for the mechanism seems to be that the whole thing must be conducted in secret.[40] The WTO rules for the mechanism state that everyone involved, *"shall respect the confidentiality of proceedings of bodies pursuant to the dispute settlement mechanism…"*.[41]

Even in the single area of transparency, resolving differences among members is tremendously difficult. There are a series of proposal and counter proposals from a host of countries discussing improvements to a number of substantial problems with the mechanism. They include the expense of the process, the problems of enforcement of findings and the frequent David and Goliath nature of the proceedings (widely recognised as problematic). These talks already threaten to derail the timetable for the current WTO negotiation round, already in serious trouble on a number of other fronts. Clearly there is a long way to go before even the dispute resolution system of the WTO is seen to be fair, and the long list of fundamental problems all seem to confirm the suspicion among many that the current approach to world trade - liberalisation - simply isn't working. Nor is it delivering its promise to level the playing field for members. It can't even deliver a fair mechanism for all members to approach to seek justice.

Conclusions

Friends of the Earth's opposition to GM is well-known and is based on economic and social as well as ecological concerns.

Our Real Food and Farming Charter calls on the Government to launch a "real farming" action plan to support less intensive farming and protect the countryside. Among other things, this should include an end to planting GM crops in the UK until their safety and need are proven.

We are also currently **encouraging local council authorities across the UK to declare their localities GM-free zones.**

Friends of the Earth also believes that food and agriculture should *not* be controlled by the WTO. Countries must be free to support domestic agriculture for domestic consumption. To this end our Charter also **demands that Government saves food and farming from unfair global trade rules.**

It follows that we have grave concerns about the potential for a dispute over GM in the WTO, which could override democratically-arrived-at decisions about food and farming in the UK and to attempt to enforce such a decision through trade sanctions. The host of problems with the disputes resolution mechanism discussed here and similar problems in the wider WTO itself show that the WTO cannot be considered an appropriate venue for setting Europe's food and farming policies. We support Commissioner Lamy's statements that he would defend any such dispute vigorously and continue our call for fundamental changes to the way world trade is organised.

Further reading

If you would like further information about the impacts of international trade, related Friends of the Earth publications include:

- *Get Real about Food and Farming* at http://www.foe.co.uk/campaigns/real_food/resource/get_real/index.html
- *The Real Food Book*
- *The Great Food Gamble: An assessment of genetically modified food safety* at http://www.foe.co.uk/resource/reports/great_food_gamble.pdf

From our *Sale of the Century?* series:

- *Peoples' Food Sovereignty: Part 1 - the implications of current trade negotiations* at http://www.foe.co.uk/resource/reports/qatar_food_sovereignty_1.pdf
- *Peoples' Food Sovereignty: Part 2 - a new multilateral framework for food and agriculture* at http://www.foe.co.uk/resource/reports/qatar_food_sovereignty_2.pdf
- *The World Trade System: How it works and what's wrong with it* at http://www.foe.co.uk/resource/reports/qatar_how_it_works.pdf
- *The world trade system: Winners and losers* at http://www.foe.co.uk/resource/reports/qatar_winners_losers.pdf

Available either at the web sites noted, from us at the above address, or ordered from our web site.

Other reading of interest includes:

- WTO watch at http://www.wtowatch.org/
- CorpWatch at http://www.corpwatch.org/
- Corporate Watch at http://www.corporatewatch.org.uk/
- Our World is Not for Sale at http://www.ourworldisnotforsale.org/
- Corporate Europe Observatory at http://www.xs4all.nl/~ceo/
- NGIN at http://ngin.tripod.com/index.htm
- Focus on the Global South at http://nervousx.hypermart.net/focus/
- Third World Network at http://www.twnside.org.sg/

Endnotes

1 For more information see http://www.foe.co.uk/resource/briefings/gm_crops_food.pdf

2 Both quotes from the *Financial Times*

3 http://www.foe.co.uk/campaigns/real_food/news/2002/august/august_15.html

4 *Financial Times*, 16 January 2003 and 31 October 2002, and the *Guardian*, 12 October 2002

5 http://www.foe.co.uk/resource/briefings/market_forces.pdf, Friends of the Earth and the *Observer*, 10 November 2002

6 http://www.nftc.org/default/white%20paper/TR2%20final.pdf

7 http://internationalecon.com/wto/ch2.html, Steve Suranovic, Associate Professor of Economic and International affairs, George Washington University

8 ibid

9 ibid

10 http://www.speakeasy.org/~peterc/wtow/wto-disp.htm, includes list of sources

11 European Environment No 550, 27 July 1999, pp8-9

12 http://www.american.edu/projects/mandala/TED/EUMEAT.HTM, American University

13 ibid

14 http://www.codexalimentarius.net, Codex Alimentarius

15 http://www.fao.org/docrep/w9114e/W9114e04.htm#TopOfPage, Codex Alimentarius

16 http://www.labournet.org/discuss/GLOBAL/wto.html, Gerard Greenfield, Education Programme Organiser (Indonesia), IUF-A/P, IUF-A/P Globalisation Seminar II: Globalisation and the Future of Agri-Food Workers, November 16-18, 1998, Ahmedabad, India

17 ibid

18 ibid

19 ibid

20 http://www.xs4all.nl/~ceo/wto/wtobug.html, Corporate Europe Observatory

21 http://www.useu.be/issues/beef0926.html, US Mission to the EU

22 ibid, and WTO document WT/DS217/AB/R

23 ibid

24 http://www.wtowatch.org/library/admin/uploadedfiles/Anatomy of the EU-US WTO Banana Trade Dispute.htm, WTO Watch

25 "Between 1988 and 1997 Carl Lindner, relatives and officials in his companies gave a total of over $3 million in donations to both the Republic and Democratic parties. It is widely suspected that Lindner's/Chiquita's $500,000 donation to the Democratic Party in 1996 was instrumental in persuading the US administration to lodge a complaint against the EU just a few days later. Politicians would appear to have been swayed by Lindner's 'generosity' and supported his company in the dispute." (Sale of the Century at http://www.foe.co.uk/resource/reports/qatar winners losers.pdf)

26 ibid

27 http://www.foei.org/trade/activistguide/nanaimps.htm, Friends of the Earth International

28 see Friends of the Earth's GATS Gotta Go and Primer on GATS for further information

29 http://www.tradeobservatory.org/FAQ/faq.cfm?faq_id=2, WTO Watch Trade Observatory

30 http://www.foei.org/trade/activistguide/nanaimps.htm, op cit

31 ibid

32 http://www.glu.org/bhptf/GL%20Forest%20Issues/GLFC%202000%20Dan_seligman.htm, Dan Seligman, Sierra Club, Washington, D.C.

33 http://www.wtowatch.org/library/admin/uploadedfiles/WTO Dispute Settlement Transparency and Survei.htm, WTO Watch

34 http://www.iso.ch/iso/en/aboutiso/introduction/whatisISO.html

35 http://www.labournet.org/discuss/GLOBAL/wto.html, op cit

36 http://www.msnbc.com/news/861362.asp, *Newsweek International*, 27 January 2003 issue

37 http://www.thirdworldtraveler.com/WTO_MAI/WTO_CAGE.html, "GATT, NAFTA, and the subversion of the democratic process", Ralph Nader and Lori Wallach (exerpted from The Case Against the Global Economy, Jerry Mander and Edward Goldsmith, editors)

38 http://www.speakeasy.org/~peterc/wtow/wto-disp.htm, op cit

39 *Newsweek International*, op cit

40 http://www.thirdworldtraveler.com/WTO_MAI/WTO_CAGE.html, op cit

41 http://www.wto.org/english/tratop_e/dispu_e/rc_e.htm, World Trade Organisation