

mondial

PUBLISHED IN CANADA BY THE WORLD FEDERALISTS

OCTOBER 1999

Is world ready for new trade talks?



Fergus Watt is executive director of WFC.

by Fergus Watt

From November 30 to December 3, representatives of the World Federalists of Canada and thousands of other civil society organizations will travel to Seattle, Washington at the time of the ministerial meeting of the World Trade Organization (WTO).

The main purpose of the inter-governmental meetings will be to set the agenda for a "Millennium Round" of trade negotiations. However, as Michael Moore, the former Prime Minister of New Zealand and newly elected WTO director-general stated recently, the ministerial meeting will "test the mettle of WTO members" as hundreds of thousands of protesters are expected to converge on Seattle.

"Some people have chosen to focus their fury on globalism. Thus the WTO has become a target for abuse. This will necessitate new skills at the governmental and the international level to communicate with and engage those citizens."

Foreshadowing what can be expected in Seattle, demonstrations took place around the world in September. More than a thousand environmental, consumer and other public interest groups

Mondial focuses on the World Trade Organization in this issue with a perspective on genetically-modified organisms and the WTO (page 7), interviews with two seasoned observers of world trade issues (page 8), and a review of a Commons committee report on the WTO (page 10).

(NGOs) from 77 countries issued a statement calling for a moratorium on further trade liberalization pending an assessment of the impacts from the previous "Uruguay Round" agreements on marginalized communities, development, environment, human rights and labour rights.

The World Trade Organization came into being in 1995 as the successor to GATT (the General Agreement on Tariffs and Trade). Whereas the GATT was little more than a framework for administering successive trade negotiations, the WTO is an international body that provides for the enforceable implementation of its decisions. Its rules and dispute settlement provisions are binding on member states. Urs Thomas, a member of WFC

Council and a trade and environment analyst calls the WTO "the most powerful political organization in the world after the U.S. government."

The more binding nature of WTO rules and judicial rulings is not the only difference between the WTO and GATT. GATT dealt with trade in goods; the WTO deals with trade in services and intellectual property as well.

There are currently 134 member countries of the WTO. Thirty more states have applied to join. China's application for membership is among the many contentious items on the WTO agenda.

In the run-up to the Seattle meetings, some countries, such as India, Pakistan, Egypt and Malaysia, are still objecting to a new round. They would rather talk about how to fix the previous agreement than tackle new subjects. Other small states say that more time is needed to implement the commitments made in the last round before launching a new round. But the big trading nations all want a new round.

WTO members have already agreed to negotiations on some

Continued on page 2

"...the WTO is one international body that provides for enforceable implementation of its decisions."


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items, such as trade in agriculture and services. What is less certain is how many "new issues" will be added to the agenda. Some possibilities include:

- international norms for national investment and competition policy;
- emerging technology-driven issues like electronic commerce;
- WTO impacts on culture (Canada has proposed a new instrument to ensure continued viability of national laws protecting cultural diversity);

- WTO procedural issues, including transparency issues and NGO access; and
- international governance questions such as how the WTO relates to other international organizations and other multilateral treaty regimes.

This summer, governments filed documents at the WTO regarding what should be on the table in Seattle. Over 60 proposals were tabled. Discussions began in September to obtain a consensus on a package of issues which might form the basis of a "Seattle Declaration." In all likelihood, some elements of a declaration will not be resolved until trade ministers meet in Seattle.


Whatever the outcome, the Seattle ministerial meeting is sure to be marked by a growing civil society backlash against an undemocratic process of economic globalization. Seattle will reinforce many of the deficiencies of the international framework of trade regulation and heighten debate on this important aspect of global governance. 

Montreal conference focuses on importance of NGOs

The growing importance of the role played by non-governmental organizations (NGOs) in global affairs will be the subject of an important international conference in Montreal this December.

Building on the 1995 Commission on Global Governance, civil society leaders from around the world will meet with key figures from the UN (including UN Secretary-General Kofi Annan), governments, business, academia and the media to propose changes and action for new global governance partnerships and to create wider support for a stronger UN.

The conference, called *The World Civil Society Conference*, takes place December 8–11 in Montreal. It's a very large, international, and by-invitation affair, designed to feed into the many events being planned for next year's Millennium General Assembly session of the United Nations.

For more information, visit the website at www.wocsoc.org. 



Published quarterly by the World Federalist Foundation and the World Federalists of Canada. The World Federalist Foundation is a Revenue Canada registered charitable organization (reg. #:123998957RR0001). The World Federalists of Canada (WFC) is a national non-profit membership organization which advocates more just and effective global governance through the application of the principles of democratic federalism to world affairs. The WFC President is The Very Rev. Senator Lois M. Wilson. WFC is a member organization of the international World Federalist Movement (WFM), which includes world federalist organizations in 24 countries around the world. The WFM President is Sir Peter Ustinov.

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ISSN number: 1488-612X

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Plan to attend!



WFC invites you to the year 2000 **General Members Meeting (GMM)** May 5–7 in Ottawa. We are planning a full agenda with a variety of activities. Look for full details in the next issue of *Mondial*. Billets will be available. Please plan to attend. Deadline for GMM resolutions: January 30, 2000. Deadline for nominations for recipients of the WFC World Peace Award: December 30, 1999.

East Timor***Observations of a UN Electoral Officer*****by A. Walter Dorn**

Dr. Walter Dorn is a Senior Research Fellow at Cornell University and on faculty at the Pearson Peace-keeping Centre in Cornwallis, Nova Scotia.

The early warning signs for the tragedy that occurred in East Timor were there to be seen.

Many of us in the mission recognized the grave danger posed by the militias and their military backers, and foresaw that violence would escalate after the referendum result was announced.

Before the referendum, militia leaders had said that if they could not win their cause peacefully at the ballot box, then they were ready to win through force.

UNAMET naively believed that the Indonesian military, whose presence grew stronger by the day, was there to protect UNAMET and the East Timorese in the referendum process. In fact, it did the opposite.

The special envoy of the secretary-general made rosy statements in mid-August, even after hearing our horror stories, to reassure us and the East Timorese people. Only two days before the vote, the UN released the secretary-general's message to the people of East Timor stating: "UNAMET is committed to securing the peace today and in the future. It will remain in East Timor after the ballot to carry out its responsibility in ensuring the result of the vote is properly implemented. Of that you can be assured." That provided a false sense of security to the East Timorese.

It is clear that UNAMET and the international community should have insisted on bringing in armed UN peacekeepers before the vote. The Indonesian

army had already proven ineffective in turning off militia violence, and was found to be actively abetting it.

UN soldiers in preventive deployment would have been a great deterrent. In sufficient numbers, they would have caused the Indonesian army commanders to think twice about unleashing a systematic ethnic cleansing.

The UN should also have developed a better information-gathering and analysis capability. We now know about specific militia-military plots to which the UN was oblivious, developed in Dili for the post-ballot period. UNAMET failed to investigate deeply enough into the militia-army connections and to insist that key links be severed and that the supply of weaponry and funds be halted.

More generally, the UN needs to develop a standing capacity to take early action in world hot spots before widespread violence erupts. This requires developing an early warning system under the secretary-general, one that has authority to observe and inspect areas of conflict facilitated by global access agreements with members states, to analyze the information gathered and to inform affected governments and the public before there is genocide, war or the nightmare of 'failed states' where all order collapses and people are left to fend for themselves.

UN staff in the field and at UN headquarters need to continually develop scenarios upon which

early warning, contingency planning and preventive deployment can be based. Lack of adequate staffing and resources hampers the efforts of the UN Secretariat. For the continuously volatile region of West Africa, for example, one desk officer alone is responsible for more than half a dozen countries. Keeping abreast of current developments is as much as he can manage.

At present, member states are approximately \$3 billion behind in their UN dues (see separate item on page 5). Much of these arrears are concentrated in the permanent members of the Security Council, the countries that have taken on the greatest responsibility for world peace. The simplest and most self-interested calculations would lead to the conclusion that these countries are far better off paying their assessed dues and enabling the UN to invest in the kinds of preventive action that will forestall the need for future, more expensive peacekeeping operations and avert an enormous toll of human suffering.

The international community now has an added obligation in war-torn areas like East Timor to rebuild destroyed villages, sabotaged infrastructure and burnt homes, and to provide for clean water, sanitation and food production. Also, the broader lesson should not be lost: strengthen the UN capability for early warning and prevention. In so doing, the international community can redeem itself from its past mistakes and build a safer world.

"...the UN needs to develop a standing capacity to take early action in world hot spots before widespread violence erupts."

UN Reform? Not anytime soon, but...

The head of Global Policy Forum (GPF), a UN-based non-governmental organization (NGO) says "we must not expect significant change soon" but discussion of UN reform "is now into a new phase."

Jim Paul, executive director of Global Policy Forum and chair of the UN NGO Working Group on the Security Council, said in an interview with *Mondial* that while a push for new permanent seats on the Security Council for Germany and Japan seems to have collapsed, "we're now at a stage when more progressive reforms will enjoy a little more space."

"A few more elected members of the Council could provide better geographical representation. An interesting Italian proposal would allow middle powers to rotate in and out of the Council."

A working group of the General Assembly is looking at the issues of Security Council membership and its working methods, and has made "significant improvement" on working methods.

The veto power of the five permanent Security Council members is still a big problem, Paul insists. "Ways must be found to limit the veto, perhaps through agreements outside of Charter reform. The veto poses a very knotty problem, especially since the five permanent members with veto rights must assent to any changes."

While it was NATO's war in Yugoslavia in the spring that pointed again to the need for UN reform, Paul views the Kosovo result with some optimism for

the UN. "The U.S. saw in Kosovo an opportunity to affirm the primacy of NATO, to promote Pentagon peacekeeping and to marginalize the UN. But, in the end, the NATO approach led to political crises in many European countries and a potentially deeper military conflict on the ground in the Balkans."

"The NATO allies had to turn back to the UN as an essential



Jim Paul, executive director of GPF.

part of the settlement. The U.S. goal of keeping the UN out backfired completely. The UN was shown to be indispensable, even though the superpower did everything possible to get it out of the way."

One of the most important opportunities to improve the UN is in the area of sanctions, says Paul, and Canada is playing a key innovative role on the Security Council as chair of the Angola Sanctions Committee.

"The Iraq sanctions regime has been a disaster for the UN," says Paul, but under Canadian leadership, the Angola Sanctions Committee is "rewriting the book on UN sanctions."

"Canadian Ambassador Robert Fowler took this responsibility seriously, far more than anyone in the past. He travelled to Africa for a month looking at ways to curtail the diamond and arms smuggling that fuels the Angolan civil war. When he came back, Ambassador Fowler briefed the Security Council and then the NGO Working Group on the Security Council. It was one of the most impressive briefings we've had."

Paul says NGOs ought to be concerned about moves from within the UN Secretariat apparently aimed at "appeasing corporations and neutralizing corporate hostility towards the UN." Secretary-General Kofi Annan has made overtures for a global compact with the business community, and the UN Development Program (UNDP) has also launched initiatives to bring in corporate partners.

"The UN is desperately trying to gain more leverage in a world where it is relatively weak," says Paul. But such moves will have implications for development, since corporations tend to place profits above human-centred values.

"Some of Annan's people have a neo-liberal view and expect too much from a program based on corporate good will, as opposed to regulation or formal codes of conduct."

In contrast, the UN Secretariat seems lukewarm to enhancing the role of non-governmental organizations (NGOs) like World Federalists and many others who

"Ways must be found to limit the veto, perhaps through agreements outside of Charter reform...."

Time to reclaim the United Nations



Mary June Pettyfer is a member of the WFC Executive.

by Mary June Pettyfer

In 1995, when the United States held back a large portion of the funds it owed the United Nations, it did so on the grounds that the UN had become a "bloated bureaucracy" and was in need of administrative reform.

Since then, the UN has elected a new secretary-general, laid off nearly one-third of secretariat staff, overhauled its budget and accounting practices and now has a mandated zero growth budget. It has launched the broadest package of reforms in its history—a sweeping reorganization of its departmental structures. Yet the funding crisis at the UN continues. We are now into the fourth year of the worst financial crisis in the organization's history.

Under the terms of its Charter, the United Nations runs on assessed contributions from member states based on their economy and ability to pay. Its total budget covers the peacekeeping and war tribunal budgets as well as its own. It is not authorized to borrow from commercial institutions and must rely on countries to honour their obligations to pay dues in full and on time. Therein lies the problem.

At the end of August 1999, members owed the UN \$2.87 billion, of which the United States alone owed \$1.74 billion (61 per cent). Last year the U.S. paid just enough (under the terms of the Charter) to avoid losing its vote in the General Assembly. It has been late with its payments for the past 13 years, and in June the U.S. Senate voted to

pay \$1 billion of its debt as the price of reducing its annual dues. What began as an apparent effort by the U.S. to leverage administrative reform, is increasingly seen as a deliberate policy of marginalizing the UN.

What is Canada doing? Historically, we are strong supporters of the UN. In past years, Canada's annual speech to the General Assembly (the bellweather of a state's international priorities) has included language exhorting member states to pay their UN dues and a reminder that Canada pays in full and on time. But last year, in his speech to the General Assembly, Foreign Affairs Minister Lloyd Axworthy did not mention the UN funding crisis.

Canada is far too passive. For starters, we could be much more vigorously developing allies among other middle powers willing to help put pressure on the U.S. Mr. Axworthy has talked of "soft power." Surely this is an area where an alliance of middle powers and NGOs could be more forceful diplomatically.

We must also explore other options. Why not a Canadian-supported study of alternative UN funding to be tabled at the UN. (A precedent for this is Canada's excellent 1995 study of a UN Rapid Reaction Force.) Alternative funding options include various ways of taxing the international economy, such as levying taxes or licence fees for uses of the global commons, or a tax on international currency speculation (the Tobin tax).

Until governments take UN

funding seriously, it is up to citizens to demand that they do.

Individuals can help. An opportunity for citizen action is being organized by the Global Policy Forum, a New York-based non-governmental organization. They are calling for a worldwide 'Millennium Mobilization' on October 23, the eve of United Nations Day. The mobilization will call for:

- Payment by all member states of all arrears to the UN regular and peacekeeping budgets, in full and without condition.
- Payment by all member states of all arrears to other specialized agencies, in full and without condition.
- Agreement by all member states to a much-needed real-term increase in the UN budget.
- Real-term increases in other specialized agencies and funds that have also suffered recent cuts in assessments and voluntary contributions.
- Serious consideration for new and innovative forms for raising funds, including global taxes and fees, to support the budget of the UN system and at the same time attain worthy environmental and other goals.
- Serious consideration for plans to divert military expenditures to civilian purposes, including the funding of peace and security initiatives through the UN.

We urge our readers to help promote these ideas and to urge others to join us. There is a wide range of activities being promoted. Please contact the WFC office for more details.

"...Until governments take UN funding seriously, it is up to citizens to demand that they do. Individuals can help...."

Progress on International Criminal Court

by **Fergus Watt**

The nuts-and-bolts work of building an International Criminal Court (ICC) is continuing.

From July 26 to August 13, 1999, the United Nations hosted the second session of the Preparatory Commission for the International Criminal Court (ICC). Six such 'PrepComm' meetings are mandated by the Rome Statute for an International Criminal Court with a scheduled completion date of June, 2000.

However, one of the most important issues during the three weeks of negotiations on the world's first permanent war crimes tribunal wasn't even on the agenda—'What will it take for the U.S. to join the court?'

The United States was one of only seven countries that last year voted against establishing the Court. The treaty was approved by 120 other states and has since been signed by 84 states and ratified by the governments of four (Senegal, Trinidad and Tobago, San Marino, Italy). Canada signed last December and is expected to introduce implementing legislation this fall.

The United States says its opposition is based on fears of "politically motivated prosecutions." It criticizes the Court's powers to prosecute and is proposing changes in the Court's jurisdiction. Many analysts see the objections as a cover for American unwillingness to accept any international court with the power to try U.S. citizens.

As a consequence, the summer PrepComm proceeded in an uneasy and uncertain atmos-

phere. While the meetings took place, U.S. Ambassador for War Crimes David Scheffer explored options for addressing American concerns, meeting individually with dozens of UN delegations.

Many states, however, hold to the view that the Court can proceed with or without the Americans and, as the Clinton era winds down, that the U.S. will find a way to support the Court.

The PrepComm was able to make good progress on work begun earlier this spring, at the first PrepComm, on: (1) rules of procedure and evidence in the ICC; and (2) elements of crimes.

Elements of Crimes Work at the first PrepComm earlier this spring focused on elaborating and further defining elements for the crime of genocide. At this second session, states laid out views on elements of war crimes.

Rules of procedure and evidence The rules discussion moved along nicely covering Part 5 of the ICC Statute (Investigation and Prosecution, parts of which were discussed at the first PrepComm earlier this year) and Part 6 (the Trial). Progress was largely enabled by a consensus paper emerging from an intersessional meeting in Siracusa, Italy.

The rules discussion heard an important plea from Gabrielle Kirk MacDonald, president of the International Criminal Tribunal for the Former Yugoslavia, who urged delegates not to get too bogged down in specifics. "While the rules serve several important functions, we must bear in mind that they can only be a framework; the rules cannot, no matter


how well-crafted, foresee every courtroom situation. That is what rules should be—a framework, not a straitjacket.

"The ICC Statute has established rigorous requirements for the Court's judges," she continued. "My advice is, 'Trust them, don't tie their hands'."

Discussions also continued to find an internationally acceptable definition of aggression, which was also included as a crime within the jurisdiction of the ICC, subject to states agreeing on a definition. Such an agreement, however, is considered unlikely.

The Commission will also need to discuss a number of other matters before the last session in June 2000. These include ICC start-up financing, a headquarters agreement and relationship with the UN, an agreement on privileges and immunities and a budget for year 1 of operations.

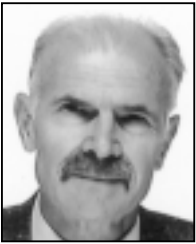
A large contingent of NGO representatives attended the PrepComm, including eight Canadians. NGO discussion focused not only on the PrepComm issues but also on various campaigns to promote early ratification of the Rome Statute.

Earlier this year, members of the Canadian Network for an International Criminal Court formally requested that Canada support measures through the Commonwealth and La Francophonie which would promote implementation of the ICC Statute. 

Fergus Watt is the coordinator of the Canadian Network for an International Criminal Court.

"The ICC Statute has established rigorous requirements for the Court's judges. My advice is, 'Trust them, don't tie their hands'."

GMOs a perplexing issue for WTO



Urs Thomas is a writer on international trade and environment issues and a member of WFC Council, currently living in Switzerland.

by **Urs Thomas**

The promise of genetic engineering technologies is very tempting: tomatoes with a longer shelf-life, strawberries that can be cultivated in cold climate zones, or pesticide-resistant corn. The biotechnology industry has enjoyed strong growth over the past few years and the economic stakes are enormous, especially for the U.S., Canada and a few other countries.

But the benefits are also associated with dangers which have been discussed extensively in the literature—allergies (which have strongly increased lately), resistance to antibiotics treatment and resurgence of infectious diseases, or uncontrolled 'horizontal gene transfers' which may create vigorous herbicide-resistant genetically modified weeds.

Herbicide-resistant crops encourage heavy use of herbicides, whereas pest-resistant ones may create tough "superbugs" which can overcome the transgenic barriers. The behavior of genetically modified organisms (GMOs) released into nature is not well understood and far more difficult to control than in the laboratory.

Non-governmental organizations (NGOs) in developing countries are particularly indignant about the explicit strategy of GMO seed suppliers such as Monsanto and Zeneca to use 'terminator technology' to create seeds that are sterile in the second generation, forcing farmers to buy their supplies instead of replanting part of their harvest as they have always done.

Terminator technology places

the interests of large firms over those of small developing country peasants and consumers, and puts the lie to the claim that GMOs improve food security. Food security is primarily a matter of food pricing and distribution, not of insufficient production.

The Uruguay Round of talks on the World Trade Organization (WTO) in 1993 brought the governance of intellectual property rights under the WTO's aegis. The know-how of transnational corporations in most areas including GMOs in particular is governed (since 1995) globally by the WTO's Council for Trade-Related Aspects of Intellectual Property Rights.

Many scientists and NGOs have for years asserted that GMOs represent new and different kinds of products that may represent unknown dangers to the environment and to human health. They argue that GMOs should not be treated the same as unmodified products which are subject to WTO rules and trade liberalization policies.

The WTO demands "scientific evidence" to show their potential dangers. Opponents point to the 'precautionary principle' supported by all governments participating at the 1992 Rio conference which encourages measures to protect the environment from serious dangers even where full scientific certainty is not established. The burden of proof of the long-term safety of GMOs should be on industry and not on consumers or NGOs. Food safety and a reasonable protection of the ecosystem represent higher

priorities than trade liberalization.

In February 1999, the results of many years of intense negotiations aimed at achieving minimal guidelines in a 'biosafety protocol' were expected to be finalized in Cartagena, Columbia.

Regrettably, at the last moment and very unexpectedly, six countries—the U.S., Canada, Australia, Argentina, Chile and Uruguay—thwarted the conclusion of this protocol. Canada joined this group in using narrow trade liberalization arguments to obstruct minimal safeguards, which would have covered only modest environmental requirements but no health issues.

Consumers in Europe are distrustful of GMOs and insist that it at least be labelled as such. Resistance to clear labelling of transgenic food is not understood in Europe at all, especially since the notion of consumer choice is normally embedded in the discourse on trade liberalization.

In June this year, the European Union instituted a *de facto* moratorium on GMO permits. In spite of relentless industry claims that the separate marketing of non-transgenic staple foods like corn or soya beans would be ruinous, market pressures have suddenly made such a separation possible in Europe at practically no cost to the consumer.

It is apparent now that transgenic agriculture is a risky business, even from a strictly financial perspective. Regrettably, in spite of the market

"Food safety and a reasonable protection of the ecosystem represent higher priorities than trade liberalization."

See 'GMOs...' on page 10

New WTO trade negotiations likely

In an effort to map out what's at stake in the November 30 to December 3 Seattle ministerial meeting of the World Trade Organization, Mondial polled two individuals familiar with the inner workings of the WTO - one from an NGO background and another whose perspective is shaped by his experiences working on trade issues on behalf of various intergovernmental agencies.

Mark Halle chairs the International Centre for Trade and Sustainable Development, which serves a worldwide network of NGOs. He is the European representative of the International Institute for Sustainable Development (IISD, based in Winnipeg).

Scott Vaughan is a senior program manager at the Commission for Environmental Cooperation of NAFTA, responsible for its work on environmental economics, and trade and environment. He was formerly with the World Trade Organization in Geneva and head of the Environment and Trade Program of the United Nations Environment Program.

New trade negotiations

An agenda for multilateral trade negotiations will likely result from the Seattle meeting, according to Mr. Halle. "The question is, 'how comprehensive an agenda will be agreed upon,' and 'how many new topics will be included on that agenda?'"

"Comprehensive trade negotiations—involving giving away important economic interests in exchange for even better advan-

tages in other areas—are difficult enough without a fairly considerable consensus on the scope of discussions in advance.

"If Seattle turns out to be very messy—and this is a real possibility—WTO members may feel it prudent to await a more favourable political moment, or to keep to a limited, fairly uncontroversial agenda," says Mr. Halle.

WTO-UN relations

The UN is seen as weak and ineffective, according to Mr. Halle. It has "no real enforcement power beyond moral persuasion. WTO rules, unlike UN resolutions, are not only binding—they have the force of law—but they are enforceable—non-compliance leaves countries exposed to sanctions. It is not surprising, therefore, that the WTO sees itself as a notch or two more serious than the average intergovernmental organization.

The UN is seen by the WTO as a forum for the development and testing of ideas, the exploration of options, the search for a consensus on approach, says Mr. Halle. "When it comes to writing the rules on trade and enforcing them, the UN ceases to be the appropriate vehicle and matters are turned over to the WTO."

Mr. Vaughan points to a need for stronger institutional cooperation between the WTO and the UN. "The relationship between the WTO and UN Environmental Program (UNEP) is very very important.

"UNEP has its problems but it

remains the environmental voice of the international system. It launched and guided such core treaties as the Montreal Protocol to protect the ozone layer, the Basel Convention on hazardous wastes, and it helped launch the supporting scientific and analytical body which has made the climate negotiations proceed more quickly than many had thought possible."

The WTO "will have to find some way of ensuring that different multilateral environmental agreements (MEAs) don't run afoul of trade disciplines," says Mr. Vaughan. "The stakes are just too high for a clash in legal regimes."

WTO and Labour relations

According to Mr. Halle, developing countries see labour rights "as a thinly-veiled attack on what is probably their strongest area of comparative advantage. And despite pressure from the unions, the United States is uncomfortable with the issue because it does not itself comply with the core labour standards of the International Labour Organization (ILO)."

"I see little progress being made on the issue of labour standards at Seattle, or in the years beyond," says Mr. Halle.

Still, says Mr. Vaughan "The relationship between trade rules and core labour standards will have to be addressed and the relations of the WTO with the ILO will need to be examined."

"If Seattle turns out to be very messy,... WTO members may feel it prudent to await a more favourable political moment..."

Continued on opposite page

but many issues still left to resolve

Investment rules (MAI)

Both Mr. Halle and Mr. Vaughan warn against bringing investment rules into WTO talks.

According to Mr. Halle, doing so “would pose grave risks to the trading system as a whole.

“The collapse of the MAI (Multilateral Agreement on Investment) negotiations is the result of an issue being dealt with in the wrong forum, through the wrong process, and with a stubborn attempt to deny the critical links between investment and other key areas of public concern.

“The solution is not to take it into another inappropriate forum, especially one which has shown limited success in addressing these same areas of public concern.... The potential for jamming up the WTO dispute settlement system is very great. This could seriously undermine the perceived legitimacy of the trading system and do it considerable damage.”

Mr. Vaughan says while some governments have suggested moving the failed MAI to the WTO, most have said “This is neither the time, nor WTO the place, to look at global rules on investment....

“The hard lessons of the NAFTA on investor-state disputes involving the environment show that unless you think through all the implications of disciplines on investment, they can be used in ways that undermine legitimate environmental regulations and standards.”

Genetically Modified Organisms

The breakdown this February of negotiations on biosafety issues in Cartagena (see GMO item on page 7) laid bare the “conflict between the U.S. ‘risk assessment’ approach and the precautionary principle favoured in Europe,” says Mr. Halle. “It is good that the issue has come out into the open and I look forward to the debate.

“Nothing would stimulate debate faster, nor damage more the chances for the risk assessment approach to gain international acceptance, than an attempt to deny GMO content labelling. This would in effect tell the consumers that they are not allowed to know what they are eating. A backlash is inevitable.”

Canada’s position at Cartagena was “an embarrassment,” says Mr. Halle. “It was dictated entirely by the interests of large agribusiness concerns and essentially aped that of the United States. It was clear that it did not result from a canvassing of legitimate stakeholder concerns across the country, and instead presented an excellent example of national policy being dictated by export interests.”

Sustainable development

According to Mr. Vaughan, it’s too early to say if a new round of trade talks will be good or bad for sustainable development.

“Even if on balance you could say the economic results of more trade liberalization will be positive, people’s growing misgivings

about liberalization and economic globalization have to do with what we give up for increased economic growth—in terms of society equity and the ability of local communities to shape economic agendas.

“Trade efficiency is not the same as social equity, which represents a pillar of sustainable development. Related to this is the issue of governance and transparency, and the effects that increased trade exert on democratic processes.

“These questions are difficult and lie at the heart of trying to ensure sustainable development and trade work together.”

WTO parliament

A Canadian Parliamentary Committee just tabled a report on Canadian interests in the next WTO round. Among the committee’s recommendations was one urging “the establishment of a standing conference of WTO parliamentarians, composed of representative delegations from member-country parliaments.”

Mr. Halle agrees that “a forum of parliamentarians would be positive and there is no reason why it would not be feasible. After all, it does not require the permission of the WTO.” Mr. Halle says IISD is already working with the European Parliament to stimulate a structured debate on trade and sustainable development.

Mr. Vaughan pointed to a study done a couple of years back

“Nothing would stimulate debate faster... than an attempt to deny GMO content labeling. This would in effect tell consumers that they are not allowed to know what they are eating....”

'Canada and The Future of the WTO'

by **Simon Rosenblum**

Canada and The Future of the World Trade Organization is the title of the June report from the House of Commons' Standing Committee on Foreign Affairs and International Trade. The committee held a series of public consultations leading up to their report. World Federalists of Canada (WFC) was among organizations that made presentations (see *Mondial*, June 1999).

The WFC focused on the "democratic deficits"—the gap between those powers gained by international organizations and multinational corporations, and those lost by national governments—and the degree to which agencies of civil society are able to have an impact on the deliberations of the WTO.

The committee took on its task because of the importance of the upcoming WTO Seattle Ministerial Conference. Its focus was on both the process and substance of international trade policy.

The work of the WFC clearly was noticed: the committee's report quoted liberally from the WFC submission on matters of process. WFC even had a noticeable impact on the committee's recommendations.

For example, where the committee recommended the WTO develop more institutionalized relations with civil society organizations, WFC-recommended improvements were listed.

Even more noteworthy was the report's advocacy of a "standing conference of WTO parliamentarians which would be composed of representative delegates from

the parliaments of member countries". Here the committee acknowledged that "the most enthusiastic and explicit argument... was made by the World Federalists."

The rules and responsibilities of such a WTO Parliamentary Assembly were regrettably not explored. Nor was the term "representative delegate" defined. Nonetheless, all of this is progress and one can be cautiously optimistic that the federal government will adopt these recommendations as Canadian policy.

Less promising was the committee's fudging on the "difficult question" of the degree to which the WTO should pursue the social dimensions. The report made no substantive recommendations in the contentious areas of basic labour standards and minimum standards of environmental protection. We got platitudes about the importance of environmental sustainability and human rights but no real meat

was put on these bones.

The report did quote Harvard economist Dani Rodrik who wrote "it is difficult to imagine a coherent explanation for why intellectual property rights belong in the WTO, but labour and environmental standards do not." Indeed.

The WTO is evolving into a forum for the governance of the global economy. There is a great deal at stake. The committee itself posed the large question: "What kind of global system do we want to have for future generations?" Regrettably they made little attempt to provide answers.

The implications of inaction were recently made clear by American economist Lester Thurow: "National governments cannot control this new economy, yet no one... wants to create the form of global government that might be able to control it. As a result, we are going to be living in a fundamentally unmanaged economic system." And in whose interest is that?



Simon Rosenblum is a Toronto-based foreign policy writer and WFC executive member.

"...it is difficult to imagine a coherent explanation for why intellectual property rights belong in the WTO, but labour and environmental standards do not."

GMOs and the WTO, continued from page 7

signals, the extensive report of the Canadian House of Commons Standing Committee on Foreign Affairs and International Trade (released in June) shrugged off this complex issue with a couple of soothing paragraphs.

Last but not least, the GMO debate needs to be put into the context of the continuing negotiations on a Multilateral Investment Agreement (MAI) which are undoubtedly going to resurface either at the WTO or in some extended regional trade agree-

ments. The proposed mechanism for investor-state dispute settlements would provide transnationals with additional means to put on pressure by giving them the right to sue foreign governments over lost (GMO) profit opportunities or disingenuous accusations of "expropriation." This would put additional constraints on the preservation of the ecosystem and make the notion of global governance still more difficult to negotiate.

NGOs viewed with suspicion by WTO

Continued from page 9 _____

that found “most parliamentarians had very little or no idea what was happening in trade negotiations.

NGO access to the WTO

The World Trade Organization “cannot remotely be described as an open and transparent organization,” says Mr. Halle. “Multi-lateral trade negotiations are traditionally the most opaque and most closely-guarded aspect of GATT/WTO work....

“The relation between WTO and the NGO community in general—at least the environment and development NGOs—is currently one of suspicion and hostility. At the same time, unless the WTO system can design the mechanisms to permit genuine

civil society input to the negotiations, their chances of reaching successful conclusion are not good. As was evident from the OECD negotiations on a Multi-lateral Agreement on Investment, the NGOs may not have the power to dictate text, but they do have considerable wrecking power. They can block an agreement they don’t like.


“The real problem, though, lies at the national level, where trade policy is traditionally developed behind tightly closed doors. Until the national process is opened and stakeholders have a genuine opportunity to influence policy, bad policy will be delivered at the global level and the negotiations will generate considerable opposition.”

“I have been urging NGOs to

focus a good bit of their attention on getting the national trade policy process opened up.”

According to Mr. Vaughan, “there is recognition among several countries that the opaque nature of the GATT cannot continue with the WTO.

“Trade policy affects normal people, is of considerable interest to citizens and environmental groups, and the WTO will need to find some way of balancing the public’s right to know with the needed confidentiality to enter into negotiations and dispute arbitration.

“It seems to me if the climate negotiations—which involve economic interests and potentially huge costs—can be transparent, there is no reason why the WTO can’t become more open.” 

UN reforms and NGO access, *continued from page 4* _____


have helped drive a lot of the recent progress in the international system—for example, in creating an international criminal court.

Paul says very few countries are interested in enhancing NGO access at the UN—Canada and the Netherlands are notable exceptions. A Canadian initiative led to a “disappointing” secretary-general’s report in 1998 on NGO access, says Paul. “Astonishingly, the executive office did not consult with NGOs at all while they were writing the report. It seemed that the secretary-general did not want to take leadership on the issue.”

Paul remains optimistic. “In

the end, NGOs are just too big a force to ignore. Governments know they are essential to the UN process” as a source of creative ideas. And he points to a forthcoming second report by the secretary-general on NGO access, again thanks to a Canadian initiative and this time based on wide consultation.

Paul’s Global Policy Forum recently published *NGOs and the United Nations; Comments for the Report of the Secretary-General* (June 1999) to “lay down some markers in advance of the secretary-general’s. It’s comprehensive. There are 55 recommendations. I think we will see some positive results.”

GPF coordinates worldwide vigils on UN funding. While they have not yet achieved their goal, Paul says “we have to keep at it.... Most great protest movements—for example, against apartheid—gain momentum slowly until the broad public opinion gets involved.... Polls show that the public already wants the UN to be better-funded and opposes cutbacks and non-payment of arrears. We must try to translate this positive opinion into strong pressure on the political system.” 

The Global Policy Forum web site—www.globalpolicy.org—is a leading source of information on current developments at the UN.

Star Wars

*Coming again to a military theatre near you*by **Simon Rosenblum**

Remember when, on March 23, 1983, American President Ronald Reagan startled the world with his famous "Star Wars" speech in which he promised that the United States would combine radically new technologies in a way that would render "nuclear weapons impotent and obsolete?"

For a number of reasons involving lack of technical feasibility, strategic undesirability and its being in violation of existing arms control agreements with the Soviet Union, Star Wars never got off the ground.

Largely forgotten by the general public, it has, however, recently returned to the radar screen. Call it "The Empire Strikes Back" or maybe just plain dumb, but the idea of ballistic missile defence is now being actively pursued by Washington—by a president who, in his 1996 re-election campaign, called it "the wrong way to defend America." So what has changed?

For starters, the weapons wizards at the Pentagon never really gave up on Star Wars. The cold war being over obviously posed a major challenge but this would not be the first occasion for a weapons system to be in search of a new mission. And in the present new world disorder, what could be more threatening than rogue states with the potential of unleashing weapons of mass destruction via ballistic missiles?

Let there be no doubt that so-called rogue states such as North

Korea and Iran may in the near future have the ability to deliver warheads to North America. So far, these nations have only tested intermediate-range missiles but within five years they may achieve intercontinental (ICBM) range. Proliferation of weapons of mass destruction and their delivery systems is without doubt a most serious danger and one that should command our immediate attention.

The United States has latched onto ballistic missile defence as its response. American Defence Secretary William Cohen is proposing to spend \$6.6 billion on it in his projected defence budget through the year 2005. This allocation includes funds for actual deployment—not just research and development—of a nationwide missile defence system. The goal is a "thin" ballistic missile defence system designed to defend against merely tens—not thousands—of ballistic missiles.

To be sure, this is significantly less technically demanding, but nevertheless still in all likelihood well out of reach. Even theatre missile defence systems—aimed missiles much slower than ICBMs—cannot hit the broad side of a barn and almost always fail flight tests against targets. And then there are all sorts of counter-measures such as decoys that could be used to frustrate a ballistic missile defence system.

All of the evidence clearly indicates that even a thin system is, and in all likelihood will continue

to be, of very questionable effectiveness. But that is only the beginning. Who says that rogue states, if they do indeed decide to unleash weapons of mass destruction against North America, will, in fact, use ICBMs to do so? Not most experts. A much more likely scenario is for a renegade state to sneak nuclear, chemical or biological weapons into North America in a suitcase. That way it is much more difficult to determine the origin of the sender.

So Washington will waste billions of dollars on a weapons system that won't live up to its billing. What else is new? Even if one is casual about the money, the implications for arms control agreements with Russia are most troublesome. The Russians with their deteriorating nuclear weapons already fear that their deterrent capabilities are at risk. About the last thing needed now is something else that spooks the Russians and sharply reduces the chances of the United States concluding strategic arms reductions talks with them. Without such reductions, the world is unnecessarily a more dangerous place and the prospects for containing nuclear proliferation are significantly compromised. Need one say more?

Star Wars—no matter what number the sequel—is just a bad idea and one that Ottawa should have absolutely nothing to do with.

"...this would not be the first occasion for a weapons system to be in search of a new mission."



Elizabeth Snell

Amidst the technological whirl of fax, email and cell phones, there is a special pleasure in a stimulating discussion among friends—in person. I've discovered a good recipe for this—the World Federalists of Canada (WFC) Issues Action Program.

Our Issues Action Group (IAG) came together in Guelph, Ontario several years ago when the program started. We were mostly unknown to each other but had membership in WFC in common. Some interested non-members have joined us. Each meeting, we discuss a different global issue.

As a starting point, there's usually a well-researched four- or five-page WFC briefing paper giving the background and, most significantly, a world federalist analysis.

We find these briefing papers invaluable—highly informative while very readable. In fact, they help me interpret many other related issues in the news. The common knowledge base among the group lifts us over any obstacle imposed by varying levels of information, leaving us free to bring fresh angles, interpretations and questions. Discussion needs no prodding and inspires us to the “action”—letters written to the appropriate decision-maker.

Sometimes we become so embroiled debating the responses to our letters from previous issues that we have to set a time limit to ensure we cover the current issue. At the end of the meeting, a feedback form allows us to comment on the paper and suggest future topics. This helps the WFC executive to stay current with the views of members. All in all, a great way to give your brain a good workout in a friendly setting!

Unfortunately, only a small percentage of WFC members participate in Issues Action Groups. There are 30 groups across the country. Everyone else misses the stimulation of IAG meetings.

Council has struggled with how to spread the accessibility of this vital WFC program. First, we'd like to make the IAG briefing papers available to members who aren't part of an IAG. To subscribe, free of charge, contact the national office.

Even better, you can start a discussion group in your community. Depending on where you live, the WFC office may be able to provide names of members close to you. Invite non-WFC friends too—the IAGs can spread the WFC message and encourage new members.

So we invite you to try this IAG “recipe” or to sample the briefing papers. Guaranteed great food for thought!

Elizabeth Snell, Executive Chair

To receive these briefing papers (five per year) without charge, contact Fergus or Dee at the WFC national office: 207 - 145 Spruce St., Ottawa, Ont. K1R 6P1, phone 613-232-0647, fax 613-563-0017, or email wfnat@web.net.

Globalization here to stay—a review

by **Jim Bohlen**

Thomas Friedman believes that economic globalization, like it or not, is with us and that we must understand it, ‘or else.’

In his enormously readable book *The Lexus and the Olive Tree*, Friedman points to the fact of cross-border currency trade which has risen to astronomical proportions, increasing from \$3 billion per day (present value) at the turn of the 20th century to \$1 trillion per day at century's end. The enormous increase is due mostly to the Internet and is driven by the hegemony of the United States. Friedman writes, “You ain't seen nothin' yet.”

The human face of globalization of the economy is marred by the downsizing of work forces in developed nations and the exploitation of workers in emerging nations. Friedman suggests that governments need to provide a cushion for redundant workers until they can switch to the service sector or retrain for a chance to participate in the onrush of the information age.

The author maintains that the information economy will pull emerging nation's economies towards the levels of the developed world. He emphasizes that should any government fail to embrace economic globalization, it will fall by the wayside.

The book gives inadequate treatment of the global governance changes required to address the adverse impacts of a global economy. **III**

The Lexus and the Olive Tree by Thomas Friedman (1999), Farrar Straus Giroux, New York.

WFM meeting on historic island

by Karen Hamilton

Amid beaches and fishing boats, gelati and seafood dinners, the 1999 meeting of the international Council of the World Federalist Movement (WFM) took place on the island of Ventotene, Italy, September 2–4, 1999.

It was on this island during World War II that Altiero Spinelli, considered along with Jean Monnet to be the founder of European federalism, was imprisoned under the Facist regime. In fact, Mussolini had

the bad judgment to imprison many of the leading intellectuals of the day on Ventotene, offering a lovely setting for dialogue and discourse.

It was on the island that Spinelli wrote the *Ventotene Manifesto* which signalled the beginning of the European federalist movement in 1941–42. At the beginning of September each year, European federalists pay tribute to Spinelli by holding their conference on Ventotene.

The fact that the Union of

European Federalists (UEF) together with the Italian Federalists and the Young European Federalists were sponsoring a week-long seminar on the island made it an important location for the meeting of the WFM Council. There was some opportunity to attend one another's sessions as well as to talk about ways in which we can work together in the future. For example, progress was made on the revival of an international federalist maga-

Continued on opposite page

Letter to the editor

Congratulations on the launch of *Mondial*. Your new publication has an attractive format and will be welcomed by world federalists and their supporters.

I also liked the contents of your first issue of *Mondial*, particularly the focus on Kosovo and the range of opinions on this difficult question. As a world federalist whose WFC membership spans four decades, I could not help but notice that, once again, world federalists can usually reach a consensus on basic principles, but have great difficulty in applying principles to particular global issues. A sharp division of opinion in the application of world federalist convictions to current issues has occurred repeatedly over the years. Kosovo is no exception.

There are clearly important lessons to be learned from Kosovo. The serious flaw in NATO's intervention is not the decision to use military force (as two articles in *Mondial* suggest), but

rather inadequate preparedness for military involvement and the exclusive use of air power.

Kosovo, not unlike other crisis situations, points to the serious weaknesses of the present United Nations. It is not helpful to condemn alternate responses to international criminal behaviour, either by NATO or other national groups acting on behalf of the world community, when the UN is either neutralized by its veto provision or does not have the financial, military or other resources to carry out effective action. The inadequacies of the present UN are once again being demonstrated by its inability to prevent the death of thousands of citizens of East Timor, a people who voted overwhelmingly and under UN auspices in favour of independence.

For world federalists, the message is clear: the UN requires fundamental reform of its institutions and procedures, including abolishing the veto power of

its (Security Council) permanent members, restructuring the Security Council, establishing a permanent world police force, and developing a reliable revenue system independent of national states.

Until a new UN adequate to meet the needs of the global community is established, the world has no alternative but to limp along as best it can with a variety of stop gap measures in an increasingly perilous world. An ad hoc approach to planetary management, whether to respond to crimes against humanity or any one of a number of other threats to our planetary home, risks catastrophe.

Sincerely,

Andy Clarke, Ottawa

Editor's note: Andy Clarke was executive director of World Federalists of Canada and secretary-general of the World Association of World Federalists (now the World Federalist Movement).

Continued from opposite page _____

zine, *The Federalist Debate*, under the stewardship of WFM, UEF and JEF, the youth organization.

Sixteen of WFM's 23 member organizations were at the meeting. The Canadian presence was strong and vibrant. The WFM Council is chaired by WFC's past-president James Christie. The new WFM vice-president is WFC's current president Lois Wilson. I am also a member of the International Council as well as serving as chair of WFC Council.

Council received reports from the organization's officers and staff on key WFM programs. For example, WFM serves as the international Secretariat for two significant worldwide NGO campaigns: the Coalition for an International Criminal Court, and the Hague Appeal for Peace. A new item on the agenda, the "Council Chair's Roundtable on Federalist Issues," offered council members a few hours to talk more generally about federalist policies and future directions.

One of the topics at the roundtable kicked off with a discussion paper by WFC Executive Director Fergus Watt (who was unable to attend the international meetings this year due to the shaky state of WFC finances) entitled "WFM policy development regarding global governance and economic globalization." It led to a wide-ranging discussion of international trade and finance, and the role of civil society *vis-à-vis* bodies like the WTO and IMF.

The Roundtable discussion as a new agenda item was thought to have been so valuable that it will become a regular part of subsequent WFM council meetings.

Branch News

Manitoba—Former Manitoba Premier Howard Pawley was the guest speaker at a World Federalist-sponsored meeting at the Winnipeg Sheraton Hotel, June 27. In August, Cec Muldrew delivered a moving and emotional report on the Hague Appeal for Peace Civil Society Conference. Six branch members attended a spring ceremony at the University of Manitoba when Vaclav Havel was presented with an honorary Doctorate. Regular meetings were to resume in the fall. Call Karl Grupe (204-757-4794) for more information.

Vancouver - The Branch began a highly successful series of meetings earlier this year reviewing George Soros' work—*The Crisis in Global Capitalism*—followed by a similar book review and discussion format based on the book *False Dawn, The Delusions of Global Capitalism* by John Gray, a professor at the London School of Economics. In September, the first of two meetings was held to discuss William Greider's book *One World Ready or Not, The Manic Logic of Global Capitalism*. The second meeting looking at the Greider book was scheduled for October 21 at the Unitarian Church at Oak and 49th, 7.30 p.m. Meetings continue through the fall on the third Thursday of each month. Duncan Graham

hosted a workshop on *The Third Planet, our Planetary Identity* July 30 at the conference of the International Association for Religious Freedom at UBC.

Montreal—Branch meetings will coincide with Issues Action Discussion Group sessions, beginning in October. Contact Carol Greene (514-426-4170) for more information.

Victoria—October 21, 7:30–9:30 p.m. *Building a Culture of Peace*. Those attending the Hague Appeal for Peace this May were to give their impressions of this historic conference and present some of the opportunities and initiatives it offers. Lounge of St. John's Church, 1611 Quadra Street. Donations.

November 23, 7:30–9:30 p.m. Workshop on *Electoral Systems*. Participants will vote for candidates using different electoral systems (single-member plurality, single transferable vote, proportional representation, etc.) to get a hands-on feel for how these work, their advantages and disadvantages. Part of a continuing series on Strengthening Democracy. Donations.

At their 1999 AGM, Victoria members overwhelmingly voted to stop raising funds by casino gambling. They are applying for charitable tax status to facilitate fund raising by other means.

Leonard Angel, who teaches Philosophy at Douglas College, has prepared detailed study notes on both the Soros and Gray books (see Vancouver above). Copies of the notes are available upon request, free of charge from the WFC national office.

Are you a World Federalist?

The time is right—the need is now—to join a world-wide movement working toward systems of global governance and international law which address the issues of globalization, democracy and justice. World federalist organizations are not affiliated with any political parties—federalist ideals cross all political boundaries.

Membership in the World Federalists of Canada includes a free subscription to *Mondial*, a quarterly journal of thought and opinion on international issues. A portion of WFC membership dues is remitted annually to the international World Federalist Movement. WFM includes 23 world federalist organizations worldwide. The international president is Sir Peter Ustinov.

Yes, I support the World Federalists of Canada. My membership payment is enclosed.

MEMBERSHIP RATES: Individual—\$35; Limited Income—\$12; Household—\$50; Contributor—\$75.

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Please send me a tax receipt (make payment to the World Federalist Foundation).

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