

## Farm and Food File for the week beginning Sunday, April 6, 2003

### Ever heard of GATS? You will

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In the secretive world of global trade negotiations, any member of the 145-nation World Trade Organization can ask that American state laws be altered or eliminated to promote more liberal trade. These requests, already numbering in the thousands and not public, are fodder for U.S. negotiators to begin hammering out the WTO's General Agreement on Trade in Services, or GATS.

GATS is the WTO's big enchilada. It truly will be the universal rulebook governing global trade in banking, insurance, telecommunications and other services. The WTO hopes to have GATS in place by 2005.

A copy of the secret foreign requests—an eye-blurring, 410-page document—was leaked in late February and posted on the website ([www.citizen.org](http://www.citizen.org)) of Public Citizen, a national non-profit public interest group led by Ralph Nader. The list was incredibly detailed and, according to the Institute for Agriculture and Trade Policy (IATP), “Reveals the stunning scope of domestic policies and regulations that are poised to be traded away in the closed-door (GATS) negotiations.”

For example, New Zealand asked that Kentucky “Remove the limitation on the number of licenses for cosmetology schools” in the state. Huh?

Even more “stunning,” the leaked list included specific requests from Australia, New Zealand, Brazil, South Korea, Japan, Paraguay, Taiwan and Uruguay that Florida, Hawaii, Mississippi, Idaho, Kentucky, Montana, Oregon, South Carolina and Wyoming eliminate laws regulating foreign ownership of private and public land.

How did these nations—I mean really, Paraguay?—even know the states' land laws and why did they ask the U.S. to put them on the GATS' negotiating table?

“They knew about them because we told them,” explains Mary Bottari, director of the Harmonization Project for Public Citizen. “In 1994, states were asked to list laws that could conflict with any GATS talks. Most state officials didn't even know what GATS or the WTO was, but they made the lists.”

Now, as GATS talks proceed, “Our trading partners said, ‘See this nice list you provided, we want all these laws eliminated.’ It was that simple.”

Just as simple was the response of the Office of U.S. Special Trade Representative (USTR) to the requests. In its 125-page counter-proposal issued March 31, the USTR denied each one.



In short, explains Bottari, the few states which listed their laws on foreign land ownership were promised that American negotiators—at least initially, anyway—would defend the laws.

As important as that protection may be to Kentucky or Mississippi or Oklahoma citizens and farmers, she adds, equally important is the lack of protection it offers Iowa or Wisconsin or Illinois farmers. “If states have local laws limiting foreign ownership of land and they did not list them back in 1994, chances are the laws won’t be protected in GATS negotiations.”

Incredible, yes; uncommon, no, explains Niel Ritchie with IATP, a St. Paul, MN-based non-profit ag interest group. “In WTO talks, everything is on the table even if it’s not on the table. That’s why there was and is deep concern over WTO encroachment into state authority,” he notes.

In Minnesota, according to the leaked GATS request document, 18 WTO members, including China, South Korea, Canada and Norway, asked for 41 changes or clarifications in state law.

The USTR did notify states of the foreign requests, according to a Jan. 17, 2003 memo from Christopher Padilla, an assistant U.S. trade rep. Padilla asked the states if the specific laws “are no longer in effect, have changed, or if your state wishes to take additional commitments to remove these restrictions.” He asked the states to reply “by fax no later than Feb. 21, 2003.”

Given the hurried timetable, Ritchie queried the Minnesota Attorney General’s office, the office in charge of enforcing Minnesota laws, to ask how it would respond to the USTR memo. “They never heard of GATS or the USTR offer,” says Ritchie. “When they got up to speed, they yelled ‘Hold on!’ ”

Hold on nothing. The WTO and the USTR are moving on with GATS. After all, their unofficial motto, trade uber alles, roughly translates to “trade trumps all.” Even state law.

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