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INTRODUCING LEGISLATION CALLING FOR THE UNITED STATES TO WITHDRAW FROM THE WORLD TRADE ORGANIZATION

Statement of HON. RON PAUL OF TEXAS

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Mr. PAUL. Mr. Speaker, I rise today to announce my introduction of and request cosponsors for a privileged resolution to withdraw the United States from the World Trade Organization.

Last week, the Wall Street Journal reported that the United States was dealt a defeat in a tax dispute with the European Union by an unelected board of international bureaucrats. It seems that, according to the WTO, $2.2 billion of United States tax reductions for American businesses violates WTO's rules and must be eliminated by October 1 of this year.

Much could be said about the WTO's mistaken Orwellian notion that allowing citizens to retain the fruits of their own labor constitutes subsidies and corporate welfare. However, we need not even reach the substance of this particular dispute prior to asking, by what authority does the

World Trade Organization assume jurisdiction over the United States Federal tax policy? That is the question.

At last reading, the Constitution required that all appropriation bills originate in the House, and specified that only Congress has the power to lay and collect taxes. Taxation without representation was a predominant reason for America's fight for independence during the American Revolution. Yet, now we face an unconstitutional delegation of taxing authority to an unelected body of international bureaucrats.

Let me assure Members that this Nation does not need yet another bureaucratic hurdle to tax reduction. Article 1, Section 8 of the United States Constitution reserves to Congress alone the authority for regulating foreign commerce. According to Article II, section 2, it reserves to the Senate the sole power to ratify agreements, namely, treaties, between the United States government and other governments.

We all saw the recent demonstrations at the World Trade Organization meetings in Seattle. Although many of those folks who were protesting were indeed rallying against what they see as evils of free trade and capitalist markets, the real problem when it comes to the World Trade Organization is not free trade. The World Trade Organization is the furthest thing from free trade.

Instead, it is an egregious attack upon our national sovereignty, and this is the reason why we must vigorously oppose it. No Nation can maintain its sovereignty if it surrenders its authority to an international collective. Since sovereignty is linked so closely to freedom, our very notion of American liberty is at stake in this issue.

Let us face it, free trade means trade without interference from governmental or quasi-governmental agencies. The World Trade Organization is a quasi-governmental agency, and hence, it is not accurate to describe it as a vehicle of free trade. Let us call a spade a spade: the World Trade Organization is nothing other than a vehicle for managed trade whereby the politically connected get the benefits of exercising their position as a preferred group; preferred, that is, by the Washington and international political and bureaucratic establishments.

As a representative of the people of the 14th District of Texas and a Member of the United States Congress sworn to uphold the Constitution of this country, it is not my business to tell other countries whether or not they should be in the World Trade Organization. They can toss their own sovereignty out the window if they choose. I cannot tell China or Britain or anybody else that they should or should not join the World Trade Organization. That is not my constitutional role.

I can, however, say that the United States of America ought to withdraw its membership and funding from the WTO immediately.

We need to better explain that the Founding Fathers believed that tariffs were meant to raise revenues, not to erect trade barriers. American colonists even before the war for independence understood the difference.

When our Founding Fathers drafted the Constitution, they placed the treaty-making authority with the President and the Senate, but the authority to regulate commerce with the House. The effects of this are obvious. The Founders left us with a system that made no room for agreements regarding international trade; hence, our Nation was to be governed not by protection, but rather, by market principles. Trade barriers were not to be erected, period.

A revenue tariff was to be a major contributor to the U.S. Treasury, but only to fund the limited and constitutionally authorized responsibilities of the Federal government. Thus, the tariff would be low.

The colonists and Founders clearly recognized that these are tariffs or taxes on American consumers, they are not truly taxes on foreign corporations. This realization was made obvious by the British government's regulation of trade with the colonies, but it is a realization that has apparently been lost by today's protectionists.

Simply, protectionists seem to fail even to realize that raising the tariff is a tax hike on the American people.