

Us and wto



WTO activities and its legislation raise a lot of questions related to sovereignty and rule of law over the countries that are WTO members. It is important to examine the terms sovereignty and see whether it can be violated under WTO legislation.

The World Trade Organization (WTO) was founded in 1995. It was set with the goal to deal with the trade rules on a global scale. The WTO is expected to arrange a dialogue for governments to discuss trade agreements and settle any trade disputes with that arise. The WTO bylaws replace local laws, which is a contradiction to the intent of the American Constitution designed to be the “supreme law of the land.” WTO member nations must follow its procedures without any legislative process in their own countries (WTO Destroying American Sovereignty).

The Venezuelan oil industry tried to benefit from democratic principles provided by the US law. Unsuccessful at first, it took the case to their government and they, in turn, submitted it to the WTO. The Venezuelan government claimed that Venezuelan domestic refiners were put at disadvantage by the US foreign standards related to reformulated gasoline. The American government established the rule to force foreign refiners to maintain EPA requirements in setting standards.

The WTO's decision was that the U. S. law on reformulated gasoline had to be changed since WTO rules did not allow different treatment for foreign refiners. The U. S. government appealed the ruling and it was rejected by the WTO. The US Administration notified the WTO in spring of 1996 that it would comply with the ruling and would change the US gasoline regulation. Thus,

the Venezuelan oil industry had profited from the democratic process of decision-making in the USA (McGinn, Chris, 2000).

Regarding the second case, there are also differences of emphasis on the precise nature of the WTO's legal order. Some legal scholars have advocated the use of more punitive responses in the event of violation or of noncompliance.

The US Government passed a law in 1990 with the intent to protect dolphins, which encouraged consumers to purchase tuna products that have "dolphin-safe" packaging. Mexico, whose third of the nation's tuna fleet exported its production to the US, brought the case to WTO in 2009, asserting the U. S. labels on tuna products were illegal because they ousted Mexican yellowfin tuna products from the US market. The WTO panel supported Mexico's position. It insisted that the US labels were not the best method to inform consumers if dolphins were hurt. Thus, the "dolphin-safe" labels, which were used on products sold in the USA, became illegal since they restricted trade (Corcoran, Katherine, 2012).

As the practice shows it, WTO can find ways to supersede local legislation and impose its rule on a particular country.