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## Global protectors or oppressors?

By Richard W. Rahn

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Are you aware we are increasingly regulated and even taxed by international organizations that are undermining the protections guaranteed by the U.S. Constitution?

The "oil for food" and other recent U.N. scandals made many aware the U.N. is quite literally out of control. What is not well known is that the U.N. is only one of now dozens of international organizations that increasingly exercise control over citizens in all countries and mispend taxpayer monies.

From the end of World War II, many new multinational organizations have been created, most with the ideal of promoting world peace and prosperity in one form or another.

These organizations are set up and funded by the member governments, often accompanied by self-righteous announcements about all the good they will do. In reality, most often the organization is set up with a high-minded charter, a staff is hired to do the work, and the politicians who created the organization move on, giving it little, if any, oversight.

These organizations' professional staff quickly learn they are largely in charge of setting the agenda and operational structure. Being human, they often feel they know better than the founders what the agenda ought to be, and, of course, they want an organizational structure and physical environment comfortable for them. Usually, much time and money are spent meeting staff needs that may or may not be in the interests of the intended recipients or the client state's taxpayers.

Bureaucrats, being bureaucrats, tend to want enhanced power and budgets. They can increase power by "mission creep," expanding the original purpose, which requires more staff and money. They lobby donor government officials for more funds and look for independent ways to acquire resources.

The following are a few examples of the problem. As we have seen in the "oil for food" scandal, the U.N. operates as a law unto itself. The crooks within the U.N. bureaucracy may even get off because they have "diplomatic immunity." There is almost no oversight of U.N. activities because there is no institution or member government with the right to do so.

The U.N. bureaucrats are always seeking more revenue, one reason they loved the "oil for food" program money without accountability. The U.N. keeps pushing for the right to directly tax the world's citizens and business firms, and has proposals for doing so. The "Law of the Sea Treaty" already gives them a right to tax corporations that mine the oceans.

--The World Bank has a 50-year record of mismanagement, and by lending almost exclusively to governments, it has ended up primarily promoting statism rather than free markets. This undermines economic growth and saddles poor nations with repaying loans that should have never been made.

The International Monetary Fund (IMF) has a long record of insisting countries increase taxes, which has stunted rather than promoted economic growth. And the IMF's willingness to bail out states that have been fiscally mismanaged probably added to the systemic risk of world finance by diminishing the penalties for countries that behave badly.

The Organization for Economic Cooperation and Development (OECD) charter includes responsibility for promoting policies that "contribute to sound economic expansion" and "extend the liberalization of capital movements." Yet, it now promotes limiting tax competition, which will undermine economic growth in its member states and the world at large. And it promotes blanket information-sharing that, by reducing privacy protections, will weaken the free flow of capital.

The Financial Action Task Force (FATF), set up to combat money-laundering, has argued that any crime involving money should be considered money-laundering in an attempt to pull virtually all crime under its jurisdiction.

It also is trying to define nonfelony tax evasion or even tax policy differences between states as money-laundering. Its policy recommendations include many measures that undermine basic due process and privacy rights guaranteed in the U.S. Constitution and similar laws in other countries.

It has enforced these provisions by putting countries and institutions on its "watch list" without legal authority or due process, making investors and bankers wary.

All this is due to lack of adequate oversight by the United States and other nations. The U.S. Congress and similar bodies in other countries should establish independent commissions to oversee and evaluate every international organization to which their taxpayers contribute.

The commissions should have to certify each year that an organization requesting funds:

- Operates strictly within its mandate.

- Does not promote taxation of U.S. or other citizens or businesses.
- Does not undermine economic growth with its policies or activities.
- Does not advocating policies that weaken the citizens' protections under the U.S. and other constitutions.
- Spends its funds wisely, prudently and responsibly.

Any organization that fails any of these tests in any year would then not be eligible for taxpayer funding for that year.

Both our liberties and our pocketbooks will face continued danger unless adequate oversight is brought to the international institutions. Our elected representatives need to wake up before it is too late.

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