

AUSTRALIA- UNITED STATES FREE TRADE AGREEMENT

SUBMISSION TO THE JOINT STANDING COMMITTEE ON TREATIES

SOME QUESTIONS ON MATTERS OF PRINCIPLE

- (1) Why is the Australia-United States Free Trade Agreement (USFTA) called a free trade agreement when there will be no free trade in important Australian exports to the U.S.A. such as sugar, beef and dairy products?
- (2) Why will the USFTA not be debated and agreed to by our own Parliament when it will be debated by U.S. Congress. There is clear evidence from experts that while our trade with the United States will increase that increase will be offset by a diminution of trade with countries like Japan, and the countries in the E.U.. We already have a large proportion of our trade with the U.S. It is not clear whether increasing our dependence on trade with the United States is in our best interest. Matters such as these would best to be debated in Parliament before we agree to commit ourselves to a treaty we can not withdraw from.
- (3) We are concerned that the USFTA will commit all future Australian governments to the conditions of the treaty. Our powers to legislate at Federal, State and Local government levels will be weakened. The Foreign Investment Review will no longer have the oversight of investments between 50 million and 800 million dollars. Is it the government's intention that we sell our assets to the highest bidder and that more profits from enterprises in Australia go overseas?
- (4) Why will disputes be settled by a committee of trade law experts when most issues will also involve matters of equity, sovereignty, natural justice or regional and local government interest as well and why may those with a direct interest not take part?
- (5) Why has our government agreed to set up committees in areas such as medicine, quarantine issues and food labelling where the U.S.A. has identified Australian policies which are barriers to U.S. trade? Are U.S. policies which advantage their industries also included? It appears that trade with the U.S.A. will be given precedence over our national interest and that future Australian governments will be powerless to remedy such situations.
- (6) Why has the government further diminished the sovereignty of future Australian governments by accepting a negative list structure which means that the agreement applies to everything not listed?

SOME MORE ISSUES RELATING TO THE USFTA

PUBLIC SERVICES SUCH AS HEALTH EDUCATION AND AGED CARE (and the side letter on the Pharmaceutical Benefits Scheme (PBS))

We understand that the commercial interest of U.S. pharmaceutical companies could be given precedence over the PBS through the medicines working group. Of particular concern is that the Australian principle of providing affordable access to medicines for all is not included in the agreement. We consider that the public policy objectives enshrined

in the PBS should be protected at all costs and not sacrificed for the profits of U.S. drug companies.

HOSPITALS, AGED CARE AND CHILD CARE: These have not been placed on the reserve list which means that a U.S. firm could argue that Australian regulations stipulating that there be a certain number of staff on duty could be challenged as anti competitive. We believe that we have the right to maintain and enforce health and care standards and that these should be enforced by Australian institutions not diminished by the free trade agreement and the commercial interests of U.S. firms. The USFTA brings in a number of grey areas for public hospitals and aged care services especially where commercial catering and laundries are used or where there is a mixture of volunteer work with commercial catering (e.g. meals on wheels). This could lead to volunteer or council organizations being involved in disputes with American business firms which could charge councils, churches or other volunteer organizations with uncompetitive behaviour for which they are not prepared and possibly unable to respond. Besides it may be completely outside the culture of some of the members of such organizations to act competitively. We should respect volunteers who help in our communities and not add burdens they will not have the resources to deal with.

WATER

The supply of water has not been excluded from the agreement. There are sufficient examples of U.S. firms charging such high rates for water in third world countries that it has become unaffordable for the poor. Water is too important to become a source of profit and above all it must not be possible to profit from its scarcity. It is a matter of vital concern that services such as phone, electricity, roads and public transport are maintained as community services and kept in the not for profit area. Of course commercial firms do often take part in these services. The only way these services can be distributed equitably is if they are contracted out by government but distributed by government. Commercial interests cannot reasonably be asked to consider matters of equity. Therefore it is essential that infrastructure and services such as health and water remain the province of government.

AUSTRALIAN CONTENT IN FILM, RADIO AND THEATRE

Only Australians can tell Australian stories to Australians and we need those stories and our artists to maintain our culture. The fact that U.S. firms can provide programmes which originated in the United States and have already been supplied to U.S. audiences much more cheaply is not the issue. If we do not continue to support Australian content and Australian performers we will suffer a degradation of Australian film, theatre, radio and television and our culture. With our small market (audiences) Australian productions will always be more expensive. We are concerned that the USFTA does not fully meet our concerns relating to new forms video, film, TV or radio that may be developed and feel that all Australian government support for Australian productions should have been quarantined from the USFTA.

Peter Hillery
Convenor Quaker Peace and Justice (NSW)

