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From: jas [SMTP:jas@mail.usyd.edu.au]
Sent: Monday, August 28, 2000 3:43 AM
To: jsct@aph.gov.au; milne@itlite.com.au
Subject: Economic Reform Aust WTO submission

Mr Peter Hussin
First Assistant Secretary
Trade Negotiations Division
Dept of Foreign Affairs and Trade

Dear Mr Hussin,

Thank you for your letter informing us of the JSCOT inquiry into Australia's relationship with the WTO. The members of Economic Reform Australia welcome this inquiry, as we feel that raising public awareness on this issue is an urgent priority. We are certainly eager to be part of any 'community involvement in developing Australia's negotiating positions on matters before the WTO' and we wholeheartedly support efforts to enforce 'transparency and accountability of WTO operations and decision making' (JSCOT Terms of Reference).

Since the chief function of government is to create and preserve a just and sustainable society, laws must be passed which protect citizens from rapacious multinational corporations, who pose a real and imminent threat to health, welfare and quality of life. It is vital that there is adequate and thorough community consultation, based on a clear understanding of all potential implications, well before any WTO negotiation process begins. Citizens and community groups must have direct and extensive input into these negotiations, which vitally affect our future.

The governmental function most worth preserving is the ability to act independently, since the only alternative is slavery. The power of the WTO to 'approve cross-retaliation and other trade sanctions' based on 'unprincipled compromises' set down in 'opaque texts' (Kelsey, 1999) is something our government must resist tenaciously on our behalf. Biased in favour of the rich and powerful, the WTO leaves poor countries with overwhelming obligations, and often excludes them from secret informal negotiations prior to plenary sessions. The bias even extends to NGOs, with 'Business NGOs receiving special briefings and bilateral meetings, while public interest NGOs struggle to gain access' (ibid.). This is an outrageous situation, and must be stopped as a matter of the utmost urgency.

Economic Reform Australia especially welcomes the JSCOT inquiry into the extent to which the WTO has 'improved the welfare of the peoples of the member countries'. At the WTO's second ministerial meeting in Geneva in May 1998, 'rich countries paid lip service to issues of poverty,

inequality and debt, and to the desperate situation of the poorest countries, mainly in Africa. But their solution was to liberalise faster and more comprehensively....Delegates of many poor countries expressed their frustration privately, but were publicly subdued.' (ibid.) Malaysian journalist Raghavan has pronounced the WTO to be 'an undemocratic, non-transparent institution, with a manipulative decision-making process that makes the system an instrument of the powerful.' (ibid.) It is high time Australia took a stand, which other countries might even admire and follow.

Australia must realise the net effect of globalisation, which is 'colonisation on a scale never before dreamed of.... the biggest power, wealth and land grab in the history of the world. The benefits do not accrue exclusively to any one country but it is the wealthiest power elites of the half dozen largest industrialised countries who are the chief beneficiaries. The middle class and the poor of all countries are the losers.' (Hellyer, 1999) However, this unbridled greed cannot continue if governments reclaim their power to protect and support their own citizens, and use this power to resist this injustice, whether on behalf of their own electorate, or to ameliorate the plight of the less fortunate countries who share our world. The JSCOT inquiry is a significant step in this direction, in turning the spotlight onto 'environmental, human rights and labour standards, and the extent to which social, cultural and environmental considerations influence the WTO priorities and decision making'.

The WTO operates on assumptions which are already long outmoded and dysfunctional. An undemocratic structure which defends inequity and greed is simply not sustainable, and must be reformed before the extreme disparities of wealth and poverty precipitate further catastrophe. Even if there were no risk of such a crisis, it is surely abhorrent for any civilised nation to be a party to such barbarism. On what grounds must we allow our cherished traditions of democratic participation, accountability and transparency to be violated repeatedly without reprisal?

'Perhaps the key effect of globalisation has been to force governments to shift the tax burden from large corporations onto the middle class. When the income tax rates can go no higher, this shift is continued through taxes on goods and services.' (Ralston Saul, 1997) Multinationals must be stopped from playing one country off against another, and must be made to pay their fair share of tax. Further, there should be a tax on foreign exchange transactions, (first proposed by Nobel prize-winner Tobin in 1978), not merely to alleviate domestic tax burdens, but also to curb destructive and destabilising speculation on world financial markets. Far from promoting curative measures such as these to improve conditions for member countries, the WTO is exacerbating an already intolerable situation, and must therefore be drastically reformed, or abolished altogether.

'All the characteristics of globalisation , which make it seem uncontrollable, in reality make it easier to control. Technology makes it easier than ever to enforce regulations. Policy standards are collapsing only because there is little agreementbetween countries as to what standards there should be....we could easily use our sophistication to develop simple, all-inclusive methods for guaranteeing standards of living.' (Ralston Saul, 1997) Could Australia dare to play a leadership role?

ERA would like to thank the JSCOT for the opportunity to contribute to this inquiry. We eagerly await your report.

REFERENCES:

- Hellyer, Paul (1999): Stop Think: Globalisation, Chimo Media, Toronto
Kelsey, Jane (1999): Reclaiming the Future, Bridget Williams Books, New Zealand
Ralston Saul (1997): The Unconscious Civilisation, Penguin, Australia

Yours faithfully,
Cathy Lo, ERA