



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT STANDING COMMITTEE ON TREATIES

Reference: Australia's relationship with the World Trade Organisation

(Public Forum)

THURSDAY, 19 OCTOBER 2000

BRISBANE

BY AUTHORITY OF THE PARLIAMENT

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **<http://www.aph.gov.au/hansard>**

To search the parliamentary database, go to: **<http://search.aph.gov.au>**

JOINT COMMITTEE ON TREATIES

Thursday, 19 October 2000

Members: Mr Andrew Thomson (*Chair*), Senator Cooney (*Deputy Chair*), Senators Bartlett, Coonan, Ludwig, Mason, Schacht and Tchen and Mr Adams, Mr Baird, Mr Bartlett, Mr Byrne, Mrs Elson, Mr Hardgrave, Mrs De-Anne Kelly and Mr Wilkie

Senators and members in attendance: Senators Bartlett, Coonan, Cooney, Ludwig and Mr Hardgrave and Mr Andrew Thomson

Terms of reference for the inquiry:

To inquire into and report on:

- opportunities for community involvement in developing Australia's negotiating positions on matters with the WTO;
- the transparency and accountability of WTO operations and decision making;
- the effectiveness of the WTO's dispute settlement procedures and the ease of access to these procedures;
- Australia's capacity to undertake WTO advocacy;
- the involvement of peak bodies, industry groups and external lawyers in conducting WTO disputes;
- the relationship between the WTO and regional economic arrangements;
- the relationship between WTO agreements and other multilateral agreements, including those on trade and related matters, and on environmental, human rights and labour standards; and
- the extent to which social, cultural and environmental considerations influence WTO priorities and decision making.

Committee met at 3.03 p.m.

BIERTON, Mr Glen

BRAY, Mr Warren George

ELLIOT, Dr Elizabeth

GOLDSMITH, Dr Ben

GRUNDY, Mr Tom

JAMES, Mr Warren

KEOGH, Mr Peter

O'HALLORAN, Mr Brian

PATERSON, Mr Ted

RASCHELLA, Ms Letizia

SULIKOWSKI, Mr Edward John

TEMPLETON, Ms Terry

WEBSTER, Mr William Alexander

CHAIR—Welcome. I declare open this community forum. This forum will allow members of the public to make a statement to the committee about Australia's relationship with the WTO. This is a slightly different process than usual because it is not a question and answer or discussion session but a chance for you to have your say and to make your comments part of the evidence before the committee. The statements should be brief—three to five minutes only. You do not have to speak for five minutes, but five minutes is an absolute maximum. We would certainly appreciate it if you could address the terms of reference for our inquiry, which include: opportunities for community involvement in developing Australia's negotiating position with the WTO; the transparency and accountability of the WTO, which we just mentioned a few minutes ago; Australia's interaction with the dispute resolution mechanisms of the WTO; and the impact that the WTO agreements have on any other bilateral and multilateral agreements on the environment, human rights and labour standards. That is the framework and those are the ground rules for what I hope will be a discussion that is orderly and informative for all of us. I now call the first speaker, Ms Raschella.

Ms Raschella—I am a former intern in legal affairs at the WTO. I would like to urge the committee to look at issues that concern the various government departments and to look at why Australia has failed in areas such as negotiations and cases. I put to you, without disclosing information that I saw, that a lot of the problems actually stem back to the initial complaint stage and developing the case. I also suggest to the public in this room that, unfortunately, due

to the lack of education process—whether it is at university or at school—most of the people in this room do not know how the WTO can actually benefit them.

We have the same rules available to us as other countries do. How those rules are used to Australia's benefit has been quite questionable, and there has been a lack of information. So I would urge the public to stop and do some research. I heard comments made today which I was quite concerned about, as far as information about subsidies and information about agriculture. They are coming from a position not necessarily of knowledge. So, please, I urge you: there is a lot of information if you really want to find out about it. Do not focus on one area; look at the whole level of information and look at why Australia has negotiated a particular position. Thank you.

CHAIR—Thank you.

Mr James—There was a gentleman—a well-known Australian—who talked about the sort of globalism we are referring to today, and he referred to it as 'the barbarian at the gate'. That was the beginning of my interest in the subject. Then I recalled meeting a fellow who worked in a small company in Melbourne, manufacturing Hoover washing machines or refrigerators. I asked him, 'How is it going?' He said, 'We employ 60 people and we will not be here much longer.' I asked, 'Why?' He said, 'We are importing a product from Thailand.'

I met a fellow who grows peanuts in Queensland. He told me that many tonnes of peanuts landed on a Brisbane wharf and, by a little bit of sleight of hand, they were allowed to enter the country, after cadmium levels and so on had been adjusted. There are a couple of cases.

We have had the tragedy in this country of a million orange trees ploughed into the ground because we are bringing in cheap orange juice concentrate from Brazil. These are tragedies. Right now our country is, I believe, under siege, and there are a couple of reasons for that. The strength of the American dollar is one reason; the other reason is lack of export. Our dollar has dropped down to US51c or US52c. The only way our country is going to come out of its mess—consider the 60,000 jobs that have been lost in manufacturing over the last couple of years and the protest in Hobart a few months ago by the AWU—is productivity. The only way we are going to get productivity in our country is through protection.

I know some questions have been asked today about the WTO. Do you believe it should be there or it should not be there? Should we be operating from outside the tent or looking inside the tent, as it were? Or should we be looking in the rear-vision mirror at the way we were back in the 1950s, when we had incredible exports, and in the 1960s, when we had the highest or second or third highest standard of living in the world? I cannot answer that question regarding the WTO; it is a catch-22 question. If I say, 'No, I do not believe in the WTO,' then I am becoming isolationist and saying to myself, 'I will not be involved in this. I am going to cut myself off.' If I say that I believe in the WTO, I am compromising myself. If I presented the ideal to you, I would suggest that it would be much better if we did not have a WTO in terms of the control. It seems the Vatican and the Kremlin have been replaced by a WTO in Washington.

What is the answer? We talk about overproduction in Europe and North America. Yes, these are problems. But I do not think control is the answer. We have moved away from Communism control—it is dead—and we have moved towards a different sort of control which is related to

economic hegemony, which is this attempt to control production and export. What is the answer? The answer is to go back to what we were. I heard of an anecdotal case of Joh Bjelke-Petersen doing something up there, trading with the Japanese. I think he was with the old protectionist himself known as Black Jack McEwen, the old National Party leader, who has come under some criticism for his policies. Joh and he agreed on two speeches. They had one hiding away. They presented their case to the Japanese and they won their case for the export of Queensland sugar. We have to get back to the way we were. Excuse me—it may sound reactionary. With regard to WTO control, in terms of ‘shoemaker’, politically I am a ‘shoemaker-ite’.

CHAIR—Thank you, Mr James.

Mr Bray—Just for general information, I am in the rag trade. I was in a large multinational company for 30 years as a senior manager. I have been in my own company for the last 10 years here in Brisbane. I am against the World Trade Organisation; we should not have any part of it whatsoever. I am, however, for world trade. I am against the principles on which the World Trade Organisation is founded. It would be crazy for me as a businessman to ask anyone in the world to make rules to force my customers to take the goods that I happen to have overproduced. This is what the National Party is hoping to do by pushing WTO—trying to sell agricultural goods. Of course, this principle is a nonsense and, therefore, it has been rejected by the world. You cannot force other people to take your goods. Worse still, when it suits America they edit the rules so that if they do not take them they will penalise them. This principle of penalising your customers for not taking your goods is just totally and completely wrong.

Free trade is what it is—free trade between a willing buyer and a willing seller. I hope very fervently that no-one has ever bought goods from Australia when they did not want the darn things. That is what we are into—making people take goods that they do not want over and above the wishes of their own elected governments. This is unfortunately what Australia does and allows to happen to Australia. It allows other countries to push goods into Australia over and above the wishes of the local government and the people. The principles of WTO are crazy in my personal view.

On the other hand, with regard to trade facilitation processes, the government should have an Austrade organisation that should be strongly supported to facilitate trade of goods with customers who want to buy them—and pay for them, I might add, too. Likewise, that applies to goods that we as a government wish to purchase over and above our industrial policy. I read an article recently saying that WTO is dead in America, disregarding the Seattle protest, because the American Senate is already backing away from WTO because of its constituents. Not one voted for support for any liberalisation in agricultural goods trade. So that is from the top.

CHAIR—Thank you, Mr Bray.

Mr Paterson—While I applaud the government’s action in appointing this body to look into the World Trade Organisation, let me put that to one side. If a group of bureaucrats went overseas and, with the best intentions, signed a treaty to impose a dictatorship in Australia, and if that was later ratified by politicians who did not like to look silly in the eyes of the world by not ratifying a treaty that had been signed, and if we then formed a committee to discuss the benefits or otherwise of a dictatorship, I think it would be pretty futile. I cannot see how we can

discuss the World Trade Organisation in isolation. It is mixed up with a whole lot of things that have happened over the last 15 or 20 years, starting off with the Lima agreement, which you all know about. We have consciously stepped aside from being self-sufficient, and we are now dependent on other people in the world to make our goods. We have to buy them, and to buy them we have to swap them with our agricultural goods. As some people have said—and I am not sure about this—sometimes we may have to overproduce our agricultural products to the detriment of the land to pay for these goods we need. There is the argument that we can pay for these by exporting mineral products, but, as you all know, we do not own those mines anymore. They are mostly owned by overseas companies which pay little or no tax.

Dr Elliot—I am a rural GP and a mother, and I also speak on behalf of the Global to Local group, which is in the Northern Rivers district of New South Wales. We have about 1,000 people on our ‘interested’ e-mail list, and a lot of people come to our meetings every week. I suppose I partially represent part of an international movement against globalisation, which we define as the rewriting of rules of trade and investment to suit big business and big banks. We see the world as increasingly dominated by a financial elite. Most of world trade is in fact about hedge funds and financial speculation. Ninety-eight per cent of trade is not about goods and services but about money. This enormous amount of free capital floating about can destabilise economies and, more importantly, leave any national policy in tatters because they can dump our currency so quickly. Our economy is worth about the same price as Los Angeles.

We have a situation where international capital is basically making a mockery of anything we can do to produce real goods and services. Increasingly, a small percentage of the world’s population own most of its wealth. I think 220 individuals own more than the bottom 41 per cent, and so the statistics go on. The rich-poor gap is increasing everywhere. It is particularly seen in Africa, with African nations exporting three times as much to repay debt as they would export to pay for health and education. The same thing is happening here. Last week a patient of mine waited five hours in a public hospital nearby to get some pain relief. Another patient waited 3½ years for public dentistry. I do not understand why banks put interest rates at such high percentages. I do not think it is necessary. The Commonwealth Bank started at one per cent and did well; it financed Australia really well in 1913. Banks are a big problem. Why are we constantly giving away our sovereignty? Why does the government kowtow to these interests when it knows it is not helping Australians create jobs? There are a lot of reasons. There is the economic rationalism push, the global speculative gambling casino and the threat of losing jobs, et cetera.

I speak also for Australian youth. The reason that 25,000 people were in Melbourne a few weeks ago was that Australian youth are either depressed or exhausted. The ones with jobs are stressed, casualised and insecure. The ones without jobs are depressed, taking drugs and miserable. We are short-changing our youth, destroying our ecology and ratcheting down small business and farmers. We are producing a situation in health terms where we have stressed people, eating products that are grown with petrochemicals, with poor body structures. I am worried for not only the present but also the next 20 or 30 years of our nation’s good health. That is the level I would like to submit. Thank you for being here and for hearing our opinions.

Mr Webster—I am from Holland Park. My game is engineering, manufacture and construction. I think you would have to say that engineering and manufacture at least are the current sacrificial lambs on the altar of free trade at the moment, with something like 240,000

tonnes of fabricated steel coming in. I am actually here to present some comments of a friend of mine who was unable to make it; so I am going to have to do a bit of reading.

The doctrine of free trade preached by the large economies of the world is not practised by them. The United States, the European Union and Japan have all refused to open up their agricultural markets to the free passage of farming imports. They have refused to end tariff quotas and their own agricultural subsidy systems. In fact, over the last 10 years, the US, the European Union and Japan have all increased their tariffs—the US has increased its farm subsidies from 19 per cent to 24 per cent, Japan from 58 per cent to 65 per cent and the European Union from 47 per cent to 49 per cent. It is only the smaller economies such as Australia, New Zealand and Canada that have reduced tariffs. Farm subsidies as a percentage of the total farm income are: Australia, six per cent; New Zealand, two per cent; and, Canada, 20 per cent. Canada recently complained about the assistance that the sugar industry is getting, which is a first-class move. The OECD average is 40 per cent. However, the big players demand the unimpeded entry for goods and services. This is because in this area they have a strong competitive advantage over the goods and services produced by the smaller and poorer countries. So they push free trade where they have a competitive advantage and ignore free trade where they are at a disadvantage. The rationale used by the big players is that for social reasons it is desirable to keep farmers in work and their communities viable. These social criteria are important and even decisive, but why then are they excluded from the scenes of manufacturing and small business which have their own labour force and their own communities?

I think the point made about New Zealand is worth listening to. Some years ago historian Robert Manne suggested that economic rationalism would destine Australia to become a new Argentine—a once rich state now divided by extremes of wealth and poverty. The leading British economist, John Kay, Professor at the London School of Business and Oxford University, in a fortnightly column he writes in London's *Financial Times*, recently gave a stinging report on New Zealand's 15 years of economic rationalist experiment. He said that New Zealand's real wages had declined, their living standards had declined and their productivity, in the period 1984 to 1999, grew by only 9.8 per cent compared with 30.4 per cent for all high income countries. However, there has been—and this is important; its superficiality is where the increase is coming—a substantial increase in the numbers and earnings of managers and in financial and business services, but without any corresponding rise in the productivity of those they manage, advise or finance. That is what is going to drive a nation. He says—and this is something we should listen to:

According to current orthodoxy, New Zealand has done everything right ... State industries have been comprehensively restructured and privatised ... what was one of the world's most comprehensive welfare states has been dismantled ... The US Central Intelligence Agency claims in its 1999 *Factbook* that the reforms have boosted growth and moved incomes towards the levels of the big Western European economies, but its statistics show the opposite.

Dr Goldsmith—I am a research fellow at the Australian Key Centre for Cultural and Media Policy at Griffith University. I wanted to address one term of reference of the committee, which is the last one on the list that I pulled off the Internet, which states:

... the extent to which social, cultural and environmental considerations influence the WTO priorities and decision making.

I have only been here for half a day, and I have not heard a great deal about the cultural consequences of globalisation. I think that is probably something that is of enormous concern to a lot of people. I just wanted to inform the committee—perhaps you may not be aware—that recently there was an international meeting of cultural ministers in Greece to which Australia was invited but the minister was unable to attend, apparently because nobody was allowed out of Australia while the Olympics were on. Preceding that meeting, there was a meeting of non-government organisations at which there was formed an international network for cultural diversity, because there was a general concern around the world that cultural diversity is something that is extremely threatened by trade liberalisation and by the trade disciplines of the WTO. One of the principles of that network and equally of the ministerial network, as I understand it, although it is an informal arrangement, is that countries should not make commitments in trade agreements which compromise their capacity to make domestic cultural policy.

There is also a great deal of activity going on at the moment, most of which is being initiated by the Canadians—which I think is an interesting point in itself—towards the development of a new cultural instrument which would exempt cultural industries and cultural practices from trade disciplines. I think that is something that Australia needs to be much more involved in. I am not saying it is something necessarily that should be wholeheartedly supported. It is something that the committee would need to be informed about and which the community needs to be involved in discussing.

CHAIR—Thank you, Dr Goldsmith.

Mr Grundy—I will speak in my private capacity. Much of what I had wanted to say has already been said so I can be very brief. I agree with one of the previous speakers that there have been social reasons for Japan, EU and the United States ignoring their responsibilities under free trade and agriculture. I would argue that there are equally pressing social reasons for Australia to ignore our obligations in the question of the manufacturing industry. At present, we have the smallest manufacturing industry of all the developed countries except Greece. I suggest that there are skills and values in the manufacturing industry that we need to protect, irrespective of their economic value. I am not denigrating their economic value either.

If it is okay for social reasons for the big three to refuse to accept our agricultural and pastoral products, it is equally valid for us for social reasons to ignore our responsibilities for accepting manufactured products. But we are told that we should not manufacture products because we are inefficient; our role is the service industries. We would rather have our young people become bellhops, chambermaids, waiters and bar attendants than to dirty their hands and muddle their minds with becoming fitters and turners, boilermakers, technicians and so on. Could it be that the 19 per cent unemployment of youth in our country is not unassociated with the massive decline of our manufacturing industries?

CHAIR—Thank you, Mr Grundy.

Mr Keogh—Most of the speakers have addressed most of the issues. I appear in a private capacity. Whilst being a small primary producer, I am not relating my address to that. In relation to problems associated with free trade, which appear to be policies of the World Trade Organisation, Australia buys more than it sells, hence the massive repeated trade current

account deficits. A check with the Reserve Bank in the last few days revealed that the deficit for the year ending June 2000 was over \$33 billion. The net foreign debt is currently \$268 billion, and the gross foreign debt is over \$400 billion. The true situation is really much worse. Over recent times we have sold virtually everything that is not nailed down, and the private companies have done likewise. Our major companies have been sold offshore, and we are essentially foreign owned.

Thousands of factory workers have lost their jobs due to the effects of cheap imports from low wage countries with appalling working conditions—some using child or prison labour. This results in a massive pool of unemployed, with ever increasing social service payments coming from a decreasing tax base due to the lower numbers in the work force. The current account deficit must logically flow through to the foreign debt, which has doubled over the last four years. This has resulted, in turn, in a lower credit rating and higher interest payments.

As the debt rises, the government sells major income-producing assets in order to retire some debt and balance budgets. This, of course, reduces our income even further, and the world sees us as an economic basket case. This in turn results in the Australian dollar dropping increasingly to all-time lows, which increases the foreign debt again. Nothing the government is doing, or has done for years, in the field has had any beneficial effects on the true economic situation. Unless we stop trading at a loss we have a very short and very bleak future.

This country has every resource known to man. A people without the technology of the wheel survived for 40,000 years without the benefit of imports. We on the other hand with all our wisdom are selling the very land we once owned, and all the infrastructure that our fathers built to survive—and still our debt increases to the point of bankruptcy. Very soon we will be tenants in the land we once owned. The government's decision to sell Australia's world heritage areas to retire debt must be reversed, and any such action should be viewed as an act of treason.

This situation can be rectified, but only by reimposing tariffs, buying less than we sell, taxing foreign companies that dwell here and currently pay no tax, and generally running the country like a business. If the World Trade Organisation objects to measures that we need to improve in order to survive financially, so be it. We cannot afford to let any nation or any organisation impose rules upon us that will destroy us. We must do what is right for this country, and if the people in the World Trade Organisation do not find that acceptable, let us cease to be a member. We have one massive advantage over other smaller nations: we can be totally self-sufficient and we do not have to import anything, and that includes money from the IMF or rules from the World Trade Organisation.

CHAIR—Thank you, Mr Keogh.

Mr Bierton—I am a retired local government officer after 45 years here in Queensland. It is extremely difficult to see what advantages or benefits Australia has gained from membership of the WTO but, on the other hand, we would be damned if we withdrew from the WTO. So perhaps our only alternative is to look at making the WTO work to ensure that all member countries are afforded fair treatment, that all countries know the rules and, above all, that all countries abide by the rules.

I will skip over some of the cases that have been previously discussed here by other witnesses and just take a couple of examples. In relation to the case of the WTO ruling that US restrictions on Australian lamb were illegal, the US totally disregarded this and did precisely what it wanted to, and the WTO did nothing. Another example arose from Australia's objection to Japan's exceedingly high tariff of almost 400 per cent on imported rice. Japan's swift reaction was to threaten to cancel Australia's import of wheat. Again, the WTO did nothing.

On a slightly different tack, in recent years we have seen foreign—mainly American—interests entering our field of job networks in Australia. They have taken over a great majority of our employment agencies, making extraordinarily good profits from the huge handouts given to operators by the federal government. In the process, some Australian firms have been squeezed out and others have been taken over. Approximately \$1,200 to \$3,500 is paid to the network agencies when they provide a new employee with work. In the main, this money has been picked up by overseas companies such as Drake, Echo, Manpower, et cetera. Of the money our federal government is prepared to spend to improve the unemployment statistics, a vast majority of it is going to overseas firms.

We wonder what reaction the federal government would take if this matter was raised. No doubt, if we tried to restrict these operations, the WTO would be quick to react. I believe that this matter is being brought to the attention of the federal minister, Mr Tony Abbott. The World Trade Organisation in theory is good but at the moment I do not think it is acting according to its own rules—it is not policing the abuses—and Australia has been suffering accordingly.

CHAIR—Thank you, Mr Bierton.

Mr O'Halloran—I am here as an individual but I bring with me the concerns that resulted from having been the former executive officer of the Catholic Justice and Peace Commission for 10 years prior to my retirement three years ago. During that period, one of the major concerns we observed was the movement of society in two different directions. About 40 years ago, the bottom billion people on this planet were 30 times poorer than the top billion; five years ago, that had changed to 150 times. Most of this impact happened during the implementation of the rules of the WTO.

I think it is important that we dwell on what happened in Seattle—not the riots or the protests, but the 135 delegates who came together and could not come to resolution even after a special committee of 25 people was set up to establish resolutions that could be adopted, and even they could not come to agreement. As a result, the Seattle WTO meeting finished without resolution. I think that is a terribly important thing to realise for us as a nation and for this hearing in terms of recommending back to the government because there is far from unanimity around the world today about the worth of the WTO.

It is in this regard I think that we can take on a leadership role. The question which was put to Mr Sanders was: where do we go? Do we stay outside and look in or get in the tent? Hopefully, Australia has a very significant role to follow and implement, but it has to be a role that identifies the failure of the WTO at this stage. I think it was Mike Moore from New Zealand, when speaking as an apologist for WTO, who said, 'Trade is trade is trade.' The point he was making was that there is no room for anything else. The thing is that there is no room for a WTO that ignores everything else. There is no moral justification for anything as dynamic as a

WTO if it ignores human rights, labour rights, the environment and all the things that go to make up the whole social question. Hopefully, as a result of going around Australia, this inquiry can draw some support from the expressions that have been given here this afternoon and we can take a leadership role in this whole question. If we cannot, I cannot see how we can justify supporting the concept of a WTO.

Ms Templeton—I am with WTO Watch, Queensland. I would like, if I may, to read you the text of a petition which WTO Watch has circulating at the moment. It is directed to ‘the Honourable the Speaker and the Members of the House of Representatives assembled in Parliament’. It is based on the sign-on letter which was circulated before the Seattle ministerial and which was signed by 1,500 NGOs. It says:

The Uruguay Round Agreements and the establishment of the World Trade Organisation were proclaimed as a means of enhancing the creation of global wealth and prosperity, promoting the well-being of all people in all member states and encouraging sustainable development.

We believe, however, that in the past five years, the activities of the WTO have contributed to the concentration of wealth in the hands of the rich few, an increase in poverty for the majority of the world’s population and the proliferation of unsustainable patterns of production and consumption.

The Uruguay Agreements have functioned principally as a means of prising open markets for the benefit of transnational corporations at the expense of national economies and national sovereignty, workers, farmers, women and children, and the environment.

In addition, the rules, regulations and procedures under which the WTO operates are undemocratic, non-transparent and non-accountable and have served to marginalise the majority of the world’s people.

We, the undersigned, oppose any further negotiations on liberalisation, especially those which will bring new areas under the WTO regime, such as investment, forestry, government procurement, competition policy and services (especially health and education).

Your petitioners therefore request the House to support:

- 1) a moratorium on any new issues and any negotiations which expand the scope and power of the WTO.
- 2) a comprehensive, open and in-depth review of the existing agreements. Such a review should address the WTO’s impact on marginalised communities, development, democracy, environment, health, human and animal rights, labour rights and the rights of women and children. The review should be conducted with civil society’s full participation.

Thank you.

CHAIR—Thank you, Ms Templeton.

Mr Sulikowski—I am from the Department of Foreign Affairs and Trade. I thought I might just come to the defence of the WTO and trade liberalisation, if I could. We have heard argued today that our participation in the WTO and trade liberalisation exposes economies to volatility in the global marketplace—sometimes with adverse consequences for domestic economies. I believe strongly that, as a relatively small market, Australia must trade extensively to generate new jobs and prosperity for everyone. Our prosperity, like that of many other countries, is very much dependent on trade. Just remember that one in five jobs in Australia is dependent on exports; in regional Australia, it is one in four jobs—not an insignificant fact. Australia, like

other countries, can either choose to continue to improve its global competitiveness and move ahead or get left behind. I think that is a fact.

The experience of the postwar period has also shown that broad based, multilateral trade negotiations facilitated by the WTO have been the best way to provide a secure and predictable trading environment for Australia and other countries. I also argue that Australia can work within the WTO. We can build coalitions, and we have done so successfully with the Cairns group, for example, to advance our own national interests. I know there has been a lot of discussion here about agricultural trade, and I accept that agriculture came into the multilateral trade negotiations late in the Uruguay round and that, at the moment, it is still a very weak agreement. But there is much activity in the government to try to push forward actively with trade negotiations in agriculture—already they are mandated under the Uruguay round. Negotiations are taking place at the present time, and we are very keen to see them incorporated into a full new round.

The other thing that is clear is that the WTO is the focus of a wide range of criticism from a lot of different groups in the community which seek to blame globalisation and, particularly, trade liberalisation for a whole range of social problems that we have in the community. Much of this criticism is based on a number of inaccuracies and what I might call myths about the WTO. The WTO is not a world government nor is it undemocratic, as has been claimed by a number of speakers. It is a member driven organisation, with decision making being taken by all 138 members of the organisation. The decisions are all reached through consensus. Seattle failed partially because consensus was not reached at the starting gate. In the WTO, no new obligations can be placed on any member without their consent. Any member can withdraw from the WTO with six months notice, but none of the present 138 members have ever threatened to do so, and I think that is significant. The popularity of the WTO—certainly in terms of its membership and, significantly, the large number of countries that are currently seeking accession to the WTO—has never been higher. There are 28 countries, including China and Russia, that are in the process of joining.

CHAIR—It is now my duty to bring the community forum to an end. I must say thank you very much to each and every one of you who have taken the time to come along and participate in the way you have this afternoon and in such a courteous way to each other, which this committee appreciates very much. We have listened very carefully to what each and every one of you has to say. Obviously this hearing has some way to go. We are trying to take evidence from people with as broad a range of interests as possible. You can be assured that all of the evidence that this committee hears will be taken into account. Thank you very much.

Resolved (on motion by **Senator Ludwig**):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 3.48 p.m.