

The Joint Standing Committee on Treaties
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BY: _____
SUBMISSION ON THE USFTA

I am greatly upset by the USFTA because it seems to me that for no apparent reason (even the CIE study gave us miniscule advantage, while the ACTIL and Productivity Commission ones gave us none at all) we are being asked to subscribe to a set of rules that would substantially undermine our democracy. In my view, democracy ---- freedom to run our own country ---- should not be up for sale at any price. Our soldiers are told that they fight for freedom. To me, a suggestion that we might be prepared to trade it for money, is on the borderline of treason. And as George Bush is trumpeting democracy in Iraq, with John Howard as an echo, the *hypocrisy of this Agreement confounds me.*

My further objections are many, but fit largely within these parameters.

The proposals on the Pharmaceutical Benefits Scheme contain various devices to raise the cost of medicines to our country. The government assures us that this raised cost will not be felt on an individual level, which means, logically, that it must be carried by raising the amount of subsidy the country (the taxpayers) pays to get these medicines. How will this new outflow affect our health budget? What services will be sacrificed to meet this new cost? If there were genuinely no change in the financial deal, why would the clause be there at all?

However devious and concealed the mechanisms of this change in the rules may be, the object is clear: disadvantage in the form of higher pharmaceutical costs to Australia. I object to our acceding to any part of it.

COPYRIGHT:

Extension of copyright from 50 to 70 years would be felt in many fields, but it would particularly disadvantage our libraries and educational services by raising their cost. Australian education is already under financial stress, and there is no advantage for us in such a move and, I believe, no reason for us to agree to it.

RESTRICTIONS ON REGULATIONS OF INVESTMENT and SERVICES:

I can find no justification whatever for our accepting the regulations stipulated in these areas. They all appear to be designed to meet the needs of an ideology of which the US is the chief proponent. Many people believe that this ideology is flawed; I for one believe it is currently a fashion due to be discarded when we come to terms with the fact that the ice at the poles is melting, and that we need to take seriously the changes in the world climate that we are already beginning to experience. These changes, the scientists tell us, are largely caused by our outpouring of greenhouse gasses. And yet (incredible as it may seem) we are busy setting up a system of marketing that will inevitably result in INCREASED amounts of these gasses being emitted as we transport such TOTALLY UNNECESSARY goods as oranges from California to Australia, and bananas from the Philippines! Sure, markets are needed to access goods that cannot be produced locally, or only with great difficulty, but to deliberately both WASTE SCARCE ENERGY and CAUSE EMISSIONS that will damage the world, just to prop up a doubtful ideology, is, to say the least, stupid. We will eventually wake up!

Meanwhile, to accept these rules about investment and services as (effectively) part of our legal system, is to give up our democratic right to govern ourselves. I am indignant that this should even be contemplated.

The changes in the review powers of FIRB are unacceptable, as we are already losing our country by selling it up. These changes open the flood-gates. While, according to the USTR, had these rules applied over the last 3 years, 90% of investment in Australia would not have been reviewed, the majority accepted entered with conditions attached, while, under the new rules, it would have been open slather. Also, it is wrong to tie the hands of future governments, which will have been elected because the electors have decided on the need for change which they should be in a position to implement. This agreement clearly will prevent democratic change in the future. Tying the conditions for investment and services in this way will thwart effective democracy.

This shows up further in the handling of Investor-State complaints: While there is as yet no direct mechanism for investors to challenge governments, as was requested by the US, if an investor experiences a "change of circumstance", the investor can request consultation with the other government. The other government is then obliged to promptly enter consultations "with a view towards allowing such a claim and establishing such procedures" (Article 11.16.1). So not much has changed, despite claims to the contrary. We must beware not to put our necks into this carefully contrived noose, which we must reject firmly before we are caught.

Equally cunning is the wording on services, including health, education, water, postal, energy and environmental services. The USFTA rules operate at all levels --- federal state and local --- and the reservations apply only to services "not supplied on a commercial basis, nor in competition with one or more suppliers". As those who drew up these rules know well (it is their business to know what goes on with the people with whom they are dealing) that leaves most -----perhaps all ----- of our services exposed.

We are requested to give up all control ----- to treat all US companies as we treat our own (10.2); give them full market access: no requirements to have joint ventures with local firms, which brings us some input and control over their decisions so that in making them Australia's wellbeing may be a consideration; no limits on the number of service providers (where scenarios could arise, such as Australian firms may be swamped by US firms backed by so much money that they can afford to discount til our Australian firms go bankrupt); no requirements for staffing numbers for particular services (where perhaps an example of our disadvantage may be that American firms, using their parent firm's money, could grasp our clientele by increasing the staffing numbers to provide wonderful service until our firms are bankrupted, then reduce the staffing numbers back to their previous level, with service similar to the initial service.)

Our qualifications, licensing and technical standards for service are not required to be world's best practice ----- no, the request is that they be "no more burdensome than necessary to ensure the quality of service" (Article 10.7) ie adequate, but only just. Our requiring world's best practice would presumably leave us open to legal challenge.

And, as I understand it, these obligations apply to all services unless they have been specifically reserved.

AUSTRALIAN CONTENT IN FILM, MUSIC AND TELEVISION.

Under Annex 1 Australia's present local content quotas are "bound", and can only be revised downwards. Under Annex 11, future Australian governments are limited in the laws they can introduce for new media. My comments on democracy apply here.

QUARANTINE

Once again the US is trespassing on our preserves, with the request for US citizens as well as Australians to determine our quarantine laws by "mutual consent" with one eye on market convenience. The quarantine laws determined by us already in place have a very good track record of keeping many devastating plant and animal diseases from our shores, and we don't need America to pressure us to change them in her interest. We need to keep them standing in our interest, which is not her concern. She should have no place in the making of our laws.

GM FOOD LABELLING LAWS and CROP REGULATION

With the question of GM food, once again the US is a trespasser. It has the temerity to request that US representatives should have the same rights as Australians to participate in the development of Australian standards and technical regulations, both in the governmental and NGO fields.(Article 8.7).

We must find the strength to resist this, at whatever cost, for once we allow ourselves to be bullied into situations in which we essentially relinquish our power to determine our own laws, we will find ourselves becoming increasingly powerless, until we become a mere cipher on the decisions of others.

ENVIRONMENT

It is evident from the fact that, although the Government commissioned 3 economic studies, before October'03, no environmental impact study was done on the prospective effects on Australia of the USFTA. In October, OzProspect published one independently. It makes interesting reading that may well affect one's view of the topic. That no EIS was commissioned by the Government, at least in the early stages of the project (though they may have been shamed into doing one since ----- I don't know) establishes the environment's position on the Government's list of priorities. This USFTA would make very heavy demands on our environment ---- for detail, I refer you to ozprospect.org ----- or.com, I'm not sure.

TARIFF CUTS ON TEXTILES, CLOTHING AND FOOTWEAR and on MOTOR VEHICLES and PARTS

These cuts will mean huge job-losses over the period of the removal of the tariffs. Further major job-losses will occur with the removal of the government procurement chapter of the agreement. It will be necessary for the Government to face the problem of

- the need for replacement jobs for these people
- has the Government factored in the loss of their taxes and the need to support them until further employment is found.?

This will be a very costly exercise, and with the major upheaval the USFTA will cause in many areas, may prove difficult to cope with adequately, if not totally impossible.

THE CONCEPT OF THE ANNEXES "stand-still" and "carve-out" is an unwarranted intrusion into our (Australia's) personal space and our private domestic life ----- as if an acquaintance were walking into one's house and taking over. I reject it and everything it touches.

That we imagine that we have any sort of obligation to entertain any of this, all of which is to our disadvantage, marks us as a country with a poor self-image.

It is because we are being bullied by a hugely powerful country which (at the moment) finds our friendship useful, and has succeeded in disguising this piece of self-interest as a friendly gesture. To me, the requests in this agreement stand clearly as those of a blatant bully trying to take over our every move.

Right now, we are still a free country, and (according to our Government) doing very well economically, thank you.

To sell our soul for American dollars, therefore, is merely an indication of greed ---- or else subservience. I trust we are neither, and firmly reject this disturbing agreement.

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