

-----Original Message-----

From: marky mark [SMTP:nemelcat@eisa.net.au]
Sent: Friday, August 04, 2000 9:16 PM
To: jsct@aph.gov.au
Subject: Australia's relationship with the WTO

Submission to the Joint Standing Committee on Treaties

Australia's relationship with the World Trade Organisation

The three paragraphs I have written involves only one example of the many reasons why I am opposed to Australia's involvement with the World Trade Organisation in any form. Following that is a more detailed criticism of Australia's involvement with the World Trade Organisation so far and the implications of it being involved in "fair trade" agreements in the future. I have thoroughly read through these criticisms and agree with the conclusions they make.

The World Trade Organisation is not interested and does not care about health or environmental issues despite its policies having dramatic effect on these. It is primarily concerned with economic barriers, openly saying that it is for other organisations to address environmental and health issues. The World Trade Organisation in fact often over rides decisions of countries and organisations which it says are responsible to maintain health and the environment. With the war on genetically modified foods hotting up, the United States is threatening to take the European Union to the World Trade Organisation Court, suggesting that their labelling laws do not promote free trade. Despite what genetic engineering technology companies may say, genetically modified foods have not been proven to be safe. Only one percent of the 5000 companies surveyed had investigated any of the side effects related to this technology (Time International, 1998, p38). Even if genetically modified organisms are safe, the labelling even suggested by the more thorough European Union is unsafe. One quite alarming example comes from a experiment involving genetically altered soya beans. The study involved soya beans which contained 2s albumin from Brazil nuts. 2s albumin was previously recognised as the allergen in brazil nut related allergies. The study showed that those who were allergic to brazil nuts were also allergic to the genetically altered soya beans. The subjects were also tested for a allergic response to normal soya beans to which their allergic response was negative (Nordlee et al, 1996, p691).

What is worrying is that sixty percent of processed foods have soya beans extract in them (Scrinis.G., 1998, p41). As well as this in 1996 the USA admitted that it was not requiring its farmers to keep the genetically altered soya beans seperate from the unaltered soya beans, placing them in the

same stock piles. Therefore sixty percent of processed foods have been contaminated with genetically altered material which has been proven to cause allergic responses in some people. (Chemistry and Industry, 1996, p859). This concerns me greatly being a nurse in an emergency department. Those people who suffer from allergic responses to food will not be able to identify the cause of their allergy unless strict guidelines are placed on the labelling of GMO's. Therefore they will repeatedly encounter allergic responses in varying degrees, which could be as minor as itching or asthma. These people should not have to suffer no matter how minor the suffering is, just because the World Trade Organisation says the labelling is against free trade. What about the consumer's right of choice and health? The World Trade Organisation has already stomped upon people's freedoms and then said it is up to other organisations to enforce their rights. Australia must not support this undemocratic body any further which is contributing to the inequality in health in this world. The time to act is now. Release Australia from its ties with the World Trade Organisation and let the people of Australia decide what is best for them.

Yours sincerely

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SECTION 1

1. Opportunities for community involvement in developing Australia's negotiating positions on matters with the WTO.

PREFACE

Two years ago the MAI (Multilateral Agreement on Investment) was defeated in the OECD (Organisation for Economic Cooperation and Development). OECD Secretary General Donald Johnston said there were lessons to be learnt for the World Trade Organisation (WTO) from the failed MAI negotiations at the OECD. He believes that the pressure brought to bear on governments by civil society was the single most important reason for the ceasing of the MAI negotiations.

It is commendable that this inquiry has been called to investigate Australia's relationship with the World Trade Organisation (WTO). However, as author of this submission I hold grave doubts as to the viability of Australia benefiting at all from its membership in the WTO. I feel that the best way to ascertain whether opportunities may exist or not, for community involvement in developing Australia's negotiating positions on matters of the WTO, is to take a critical and detailed assessment on:

1. the recent history of previous trade & investment negotiations, including

2. the negotiations in the WTO and the MAI, and

3. the conduct of Australia's official consultations, or lack there of, with Australian communities, and

First of all I would like this Inquiry to take note of my protest against Australia continuing further negotiations at the WTO while this 'public inquiry' is in progress. I find it ironic that this is the second time that such negotiations have been allowed to continue unhindered, while a public inquiry investigates ways and means of making the negotiation process more accountable and transparent.

INTRODUCTION

Australia will not be able to effectively include community involvement in its WTO negotiations until it factors in the costs associated with the 'free trade' agreements that it is currently negotiating. Nowhere is the systemic BELIEF that Australia will benefit from 'free trade', without factoring in the costs to Australia's communities, more apparent than in the events surrounding the near collapse of the Uruguay Round in the early 90's.

'During the early 1990s, when the Uruguay Round was on the verge of collapse, GATT leaders urged persistence, citing computer model projections for world-wide income gains from the Round of some \$500b, more than double the estimates of other groups, while the USA proclaimed that the Round would be worth \$6 trillion over fifteen years. The Australian Government was claiming, on the basis of OECD and IC studies, a GDP boost for Australia of A\$2.5 to 3.7b, though some trade officials privately thought that A\$1b was more likely. At one stage the OECD Secretary

General, Jean Claude-Paye, dismissed such figures as a 'pretty theoretical exercise', but Peter Sutherland (GATT Director-General) stood by them manfully and once testily asked a sceptic 'don't you believe in free trade?'

Graham Dunkley, 'The Free Trade Adventure', p134, Melbourne University Press.

These computer model projections only factored in the perceived benefits without calculating the costs associated from the lowering of tariffs for instance. Under the delusion that Australian business had a lot to gain from the establishment of the WTO, the emphasis has always been to include business groups and peak bodies as part of its official trade delegation. Now in the advent of the rise of civic society and especially in the advocacy role that many non-business-NGOs are instigating, Australia has been caught on the back foot.

To placate growing public concern without changing its' overall trade strategy, Australia is likely to continue its 'free trade' stance while at the same time paying lip service to labour and environmental concerns. To actually include non-business-NGOs in a meaningful way would entail a re-writing of its analysis, to include the projected costs associated with 'free trade' onto Australia's communities. This would be a disaster for big business and could even undermine the whole 'free trade' agenda espoused by the WTO. The last thing big business wants is an inclusive, democratic, transparent and publicly accountable system that factors in the costs that 'free trade' policies have on those communities that have yet to be involved in the negotiations.

HISTORY OF LACK OF COMMUNITY INVOLVEMENT IN TRADE NEGOTIATIONS

As part of its trade delegation to the 1999 Seattle WTO Millennium Round, Australia included 8 big business and industry group representatives, while at the same time excluding community and non-government organisations that represented over 1 million Australians.

These NGOs included the Australia Council for Overseas Aid, the ACTU, Greenpeace, the WorldWide Fund for Nature, World Vision Australia, the Australian Council of Social Service and the Australia Conservation Foundation. These NGOs lobbied to be included in Australia's trade delegation to Seattle and even offered to spare the taxpayer the expense of their services by paying their own way. To counter the ensuing public criticism over its snubbing of these NGOs the Australian government promised to conduct daily briefings with the broad range of groups in Seattle.

These meetings however failed to eventuate. *'Monday evening's briefing was the only one attended by the Minister and senior negotiators. On Tuesday a junior negotiator provided a briefing and there were no other briefings held at all for the remainder of the week.'*

Monday, 13 December 1999, Anna Reynolds, Australia Conservation Foundation (ACF), Seattle

STANDARD OF ADVICE

The standard of the advice that has emanated from Mark Vailles' trade delegation should cause grave concern for all Australians. One of the most effective ways Australia can maintain a healthy economy is by protecting the health of its environment and people. As reflected by Anna Reynolds, our future may have been seriously compromised by the incompetence of some of Australia's official trade delegation:

'A briefing today by the Hon Michael Mecher, UK Secretary for the Environment confirmed my fears that Australian environment officials do not understand trade and environment issues. Last night an Environment Australia official said to me that he could see little reason for my concerns about the establishment of a new Biotechnology (GMO) Working Group inside the WTO.'

'This morning Michael Mecher stated - There is great potential for conflict between the WTO and the Environment treaty that is already being negotiated to tackle GMO issues - the Biosafety Protocol. The WTO dealing with this issue will see conflicts about GM labelling.'

Thursday, 2 December 1999, Anna Reynolds, ACF, Seattle

Obviously the traditional understanding of what may be defined as a community can be likened to the sense of a belonging to either a cultural, historical, religious, indigenous, socio-economic and/or civic grouping, etc. The inherent weakness in defining all groupings or alliances as 'communities' in the traditional sense of the word can often distort their real intentions. For instance defining business groups as 'business communities', does in fact conceal their real agendas which inturn contradicts the perceived role in how traditional communities should function. And when these 'business communities' are called upon to represent Australia, for instance, they will inevitably only represent their own narrow self-interests. Nowhere is this more apparent than in the concerns raised by the ACF in Seattle:

'ACF understands that the Australian Government is seriously considering support for a GMO trade deal as part of its efforts to see agriculture liberalised.'

November 30th Press Release, Anna Reynolds, ACF, Seattle

The problem here is that in its desperation to gain American support to help prise open access to the heavily subsidised European agricultural markets for its farmers, DFAT (Australia's Department of Foreign Affairs and Trade) is willing to trade away the wishes of the majority of Australia's population to having their food labelled for possible GM (genetically modified) additives. The recent decision by the Australia and New Zealand Food Authorities (ANZAF) to enforce strict mandatory labelling of food could be seriously undermined or deemed illegal by the WTO, as a 'non-tariff-barrier' to the trade in food.

If Australia's National Farmers Federation (NFF) successfully challenges these labelling laws through the WTO, the NFF must be held legally and financially accountable to the risk that GM food imposes on our communities and environment. Given that the NFF says that the labelling of food will be too expensive and difficult to enforce, what are the risks and costs associated to Australia's communities if we do not label our food? The benefits of labelling must be measured against the costs to our health and environment if we do not label. The absurdity in reversing Australia's policy on mandatory labelling is that Australia will still have to label its exportable produce to Europe in order to satisfy their stringent requirements.

To understand the full extent of DFATs' lack of accountability to its employers, the Australian tax payer, we need to look at similar negotiations that have failed dismally, due largely in part to the arrogance and incompetence that our past negotiators have conducted themselves in. By doing this we will see if there is a role that non-business-communities can play in the WTO negotiations. A fitting example for this exercise is to look at the behaviour of the Australian representatives involved in the MAI (Multilateral Agreement on Investment) negotiations. An important question to bear in mind is has Australia actually reformed its negotiation process?

MAI: Australia's Mutually Assured Incompetence

Two and a half years after the MAI (Multilateral Agreement on Investment), was supposed to have been signed, the Australian public were finally alerted to its existence on ABC's Radio National Background Briefing report, titled '*The Quiet Debate*' on November 30, 1997.

Shortly after, a national 'STOP the MAI' campaign was established to defeat the MAI. One would have thought that the ensuing debacle brought about in no small part by Australia's negotiators, consisting of bureaucrats from Australia's Federal Treasury, would have taught the Australian Department of Foreign Affairs and Trade (DFAT) a lesson. Thanks to the establishment of this very same inquiry back in March 1998, to conduct the national interest test in Australia's involvement in the MAI negotiations; we are now able to reflect on the aptitude of various departments and State governments to the MAI from their published submissions made to this committee.

[State Government and Federal Department Submissions to the 1998 Joint Standing Committee on Treaties public inquiry into the MAI](#)

1. Parliament of Victoria FEDERAL-STATE RELATIONS COMMITTEE

Although Victoria was not party to the MAI negotiations, this joint ALP and Coalition committee's submission to this inquiry had more than ample opportunity and evidence to not only:

fully analyse the likely affects the MAI had to Victoria from the MAI documents that were available. But

consult with their respective constituents as to their concerns about the MAI, ie. Were any concerns from Victoria's unions, indigenous, women, environment, civic, business and/or development NGOs, etc included?

Unlike members of the public that only had access to the 14 February 1998 MAI Negotiating Text, the members of this state committee also had access to the commentary text that explained the negotiating text. Unfortunately however the members of this state committee seemed to under utilise or comprehend the full extent of this document.

Although this committee did raise concerns including the MAI's threat to:

undermine *'the States to foster local investment and development'* *, and that

'4.1 Historically, the provision and regulation of infrastructure and utilities by the States has played an important role in fostering economic growth and development in Australia.' * plus acknowledged that,

'4.2 The MAI Negotiating Text applies the principles of non-discrimination on grounds of investor nationality to privatisation, monopolies and government enterprises. This would have potentially serious ramifications both for the administration of, and the privatisation of, State Government Business Enterprises and for their ongoing use by the States to foster State economies.

4.3 The Commonwealth Government has expressed an intention to seek to protect certain areas, such as the media and communications, using the MAI exceptions procedure. The Federal-State Relations Committee feels it is important that the Commonwealth, when considering sectors of the economy which it wishes to except from the scope of the MAI, bears in mind the historical and continuing interests of the States in such areas as the provision of infrastructure and utilities.' * and raised concerns that,

'5.1 The MAI Negotiating Text contains special provisions exempting prudential regulation of financial services from the scope of the MAI...' * and recognised that,

'5.2 Currently, Australia's non-bank financial institutions are regulated under an inter-State co-operative regime. The Federal-State Relations Committee would be concerned if the provisions of the MAI were to interfere unduly with this regime.' * Although this committee also raised concerns about the MAI's arbitration process and

'6.2...that the use of international arbitration to resolve disputes under the MAI could result in a limitation of the proper commercial jurisdiction of each State's Supreme Court.' *

* April 1998, Submission No 404, p. 856, FEDERAL-STATE RELATIONS COMMITTEE, Parliament of Victoria

The most blaring example in this committee's failing was its inability to raise any concerns on how the MAI threatened Victoria's:

environment, indigenous and workers rights including working conditions, plus our civic, cultural, economic and/or democratic rights, etc! In fact this report was tabled almost to the day the of Victoria's MUA dispute.

Bordering on incompetent, it seems that it was easier for the same Labor committee members to join arm in arm for a photo press opportunity with the sacked dockland workers, than it was to comprehend the risk that the MAI had to the entire work force at large! Given that the evidence was freely available on the web, through unions, environment groups and overseas affiliates, it is deeply disturbing to say the least that the committee members couldn't be bothered to delve any further.

Unfortunately however nothing seems to have changed. With Labour now in government in Victoria, they still seem to be oblivious, ignorant and/or apathetic to the threat that the WTO has on their constituents. Even more worrisome is that the MAI has not gone away. It is being negotiated at the WTO under a different name, known as the GATS (General Agreement on Trade in Services).

2. Peter Reith's Department of Workplace Relations and Small Business (DWRSB)

'DWRSB is of the opinion that the investment liberalisation aims of the Multilateral Agreement on Investment do not require the inclusion of a provision on labour standards. We do not believe that the MAI as an investment agreement should be concerned with labour standards or that the OECD should be in the position of defining and arbitrating labour standards. This is an area for the International Labour Organisation, which is the competent international body to set and determine international labour standards. We support the position of the Department of Foreign Affairs and Trade on this issue and are strongly opposed to the inclusion of human rights clauses in trade and investment agreements. We have been working closely with Treasury on this matter.'

19-5-1998, Submission No. 511, p. 1117, Volume 6, Joint Standing Committee on Treaties, The Parliament Commonwealth of Australia.

This paragraph alone highlights 3 main flaws;

a) The International Labour Organisation (ILO) has no legally binding mechanisms to enforce its agreements. This is a standard practise (according to the Washington based Preamble Centre for Public Policy) for trade negotiators to avoid the responsibility of including workers rights; because they know that the ILO is powerless to enforce the same signatories of trade agreements to also honour agreements protecting workers rights.

b) That the DWRSB was not representing Australia at the MAI negotiations yet was privy to secret MAI documents, beggars the question about the role of due democratic process. Ie. Any negotiations should include processes of transparency to ensure that the discussions, especially between government departments, are kept in line with the wishes of the Australian public.

c) Considering that prior to the current capacity of DFAT's involvement in the WTO, they opposed the inclusion of labour standards in the MAI; raises serious questions to the viability of human rights groups being involved in any effective capacity within Australia's negotiations at the WTO.

3. Treasury

'1.54 The Treasury submission is a disappointing document especially from the department responsible for the MAI, because it does not assist us significantly in evaluating the agreement. Running to only eleven pages, it provides a quick summary of issues rather than addressing the MAI in more detail. It fails to provide, for example, systematic discussion of the implications to Australia or particular aspects of the draft text, though it asserts many advantages. Nor is there an explanation of the official negotiating position, no matter how qualified it may be at the moment. The rational behind providing such a flimsy submission appears to be that the agreement is still in draft form. However, this overlooks two points: first, the Treasury ought to be in a position to provide the Australian people and the Parliament with a full analysis of what they have been negotiating at considerable public expense on our behalf for the past three years; and, second, this inquiry has been referred to the Committee both by the Senate and a Government Minister and deserves to be treated with due regard.'

'The Treasury's evidence', Multilateral Agreement on Investment: Interim Report, May 1998, p,18, The Parliament Commonwealth of Australia.

EGG ON THEIR FACE

Although this created a severe amount of embarrassment for the Treasury bureaucrats who were negotiating the MAI on our behalf in secret, it fails to convey just how idiotic they conducted themselves before this hearing. These officials verbally stated to the committee that the MAI was in Australia's interests to sign. The members on the inquiry demanded that the Treasury officials present evidence to back up their claim. The Treasury officials were forced to admit under oath that they were unable to present any evidence what so ever!

What the hell had Treasury achieved in the 3 years of secret negotiations?

They had failed to conduct any research or commission any independent analysis on the likely affects and cost that the MAI was to have on Australia!

After promising to consult with the Australia's local governments they had failed to do so!

Even though local and state governments were party to the full extent of the provisions of the MAI and were not privy to the negotiations, Treasury refused to even consider following the United States lead by protecting these areas of government with open ended exemptions!

While promising to protect indigenous culture they had failed to consult any indigenous representatives!

Given the erroneous implications to Australia if we had signed the MAI (without the public's consent), surely Treasury would have been able to at least present SOME evidence to this inquiry? This should be blatantly obvious by now that if they had NO evidence, then the MAI negotiations was purely ideologically driven in the BELIEF that the MAI was good for Australia. Just as the establishment of the WTO was based on a mirage of evidence, so was Australia's involvement in the MAI! This is not the way to conduct ones' self especially when representing a country in the international arena! If you want to believe in something then go and join a church or a hippy commune. If you're after a transcendental experience, try shaving your head and meditating on a mountaintop. If you're feeling insecure, talk to your councillor. But for crying out loud, when negotiating on Australia's behalf deal with the FACTS, not in some ephemeral notion that if you sign away everything to transnational corporations that they will turn around on some whim and behave in the best interests of humanity. If you honestly BELIEVE that the only way forward for the world to survive sustainably, is for transnational corporations to self regulate themselves in an open market, then I recommend that you seek psychiatric help. Immediately! As grass roots campaigner Alan Griffiths for 'STOP the MAI' demanded:

Where did Treasury read that the MAI was within Australia's interest to sign? *'On the toilet walls of the OECD?'*

16-7-1998, Joint Standing Committee on Treaties public hearing, Parliament of Victoria

Surely these officials should be made accountable to the taxpayer. If they can't be charged and or made to serve a jail term on grounds of incompetence, corruption and/or criminal negligence for falsely representing Australia's interest? Then why not dismiss these officials? Or confiscate their assets to accrue the loss of tax funds that were wasted on the last three years of the MAI negotiations. To simply let them off the hook and allow them to go back to their jobs is absolutely derisible! Given that some countries execute their bureaucrats on lesser charges, this is not much to ask for.

NO ACCOUNTABILITY

As the tabling of the Interim Report on the MAI by this committee to Parliament attests to, the depth of Treasury's abysmal and blatant disregard to any form of accountability was becoming apparent;

'The MAI struck me as more than a little bit of an international diplomatic joke that was attempted to be played out on the people of Australia... As the member for Barton said, there is a role for the bureaucracy who have been at the heart of the negotiations of this treaty to prove the case, and to date they have not. They have failed miserably, and I

think with a great deal of arrogance and dismissiveness in the way that they conducted themselves. That the Department of the Treasury should front the Treaties Committee with a written submission moments before a hearing takes place I think is an outrage... We cannot allow our bureaucracy to acquire frequent flier points flipping around the world every six weeks, off to Paris to negotiate a particular treaty. This has been a fact of life, and is one of matters (sic) we have uncovered in our discussions and deliberations as a committee. I find it astonishing but it was not until the end of March this year after the foreign minister and, indeed, the Senate referred the matter to the Treaties Committee for inquiry, for public discussion, that we started to find out a few of these things which had been happening behind the scenes.'

1-6-1998, Mr Hardgrave (Moreton) (12.43 p.m.), Treaties Committee Report, Representatives.

Mr Hargraves observations are most revealing for it implies that the ministers, Parliament and the people of Australia were totally unaware of what the Treasury bureaucrats were up to, which off-course is quiet correct. This is the most damning failing of Australia's due democratic processes and must be immediately addressed if there is to be any perceived role Australia's civic communities can play in Australia's negotiations at the WTO. Unfortunately however, as I will address later on, this will not occur so long as Australia refuses to revise its analysis of the perceived benefits versus the costs to its communities from its membership in the WTO.

4. Minister for Finance

'On 20 April 1998 the Minister for Finance declined to lodge a submission on the grounds that the MAI was the Treasury's responsibility. We wrote back to the Minister on 12 May 1998 requesting a submission dealing with matters relevant to his portfolio: a reservation on privatisation, which falls within the Finance portfolio has been foreshadowed by the government.'

'Other Commonwealth departments', Multilateral Agreement on Investment: Interim Report, May 1998, p,18, The Parliament Commonwealth of Australia.

5. Department of Industry, Science and Tourism

'1.57 Of greater concern, however, is the refusal of the Industry, Science and Tourism portfolio to lodge a submission. In a letter to the Committee dated 13 May 1998, the Minister for Industry, Science and Tourism advised that he saw 'no need' for his department to prepare a formal submission for the Committee but was 'happy for Departmental officers to appear before the Committee if required'.

1.58 The Committee views this as an inadequate response particularly as administrative arrangements list investment promotion as part of the portfolio. In addition the following matters of direct relevance to the MAI fall within his portfolio: manufacturing and commerce including industries development, science and technology, including industrial research and development; marketing, including export promotion of manufacture and services; tourism, including the tourist industry; construction industry; duties of customs and excise; bounties on the production of goods; offsets to the extent not dealt with by the Department of Defence; patents, designs and trade marks and consumer affairs.'

'Other Commonwealth departments', Multilateral Agreement on Investment: Interim Report, May 1998, p,19, The Parliament Commonwealth of Australia.

The WTO is negotiating a MAI under a different name, ie the GATS (General Agreement on Trade & Services). Given that the Department of Industry, Science and Tourism has yet to approach any of the Australian businesses, personnel, employers and employees, etc, it represents as part of its' portfolio; how can the Australian government expect to see Australian communities taking an active role in the WTO negotiations? Especially considering if the same government chooses to neglect its responsibilities in at least informing their very constituents about the GATS. Duh!

Sadly we have not witnessed any change of behaviour from Australia's former Treasury negotiators to our current DFAT representatives at the WTO. These DFAT bureaucrats often preach about the virtues of 'free trade' to Australia and the benefits we will reap through our co-operation at the WTO. There '*transparent*' processes of negotiation have been demonstrated across Australia through their '*public consultations*' leading up to the Seattle Round in 1999.

DFAT Hearing, 22-9-1999, Brisbane

'The meeting was attended by over 100 members of the public. Based on those who identified themselves and some familiar faces, the audience included business people, representatives of community, student and church organisations, and members of the general public in their own right.

During the first half-hour of the hearing, Peter Husson, First Assistant Secretary of the Trade Negotiations Division, made a presentation giving DFAT's position to be put before the WTO.

The meeting was then opened to questions and comments from the public.

To DFAT's discredit, the meeting was not chaired or facilitated in any way. In particular, there was no process to form a speaking queue. This made for a chaotic meeting which occasionally became a verbal scramble with members of the public vying to be heard. The general result was that the less assertive members of the audience tended to not get a hearing. More incredible was the fact that the hearings were not taped, although some handwritten notes were apparently taken. In short, I found DFAT's conduction of the meeting totally unprofessional.

It was notable that not one member of the audience who spoke was supportive of the DFAT position.

The general mood of the meeting was that DFAT had already made up its mind and that the views presented at the hearings would not influence DFAT's position. This view was reinforced when Mr Husson did not deny this, stating only that the public's concerns would be 'noted'. This was reinforced repeatedly by Mr Husson's comments in response to speakers to the effect that 'that is your view but others would have another view'.

Understandably, the meeting voiced the view that this hearing was no more than a token exercise.

Some points raised by the audience included:

You are telling us about the benefits of free trade and nothing of the costs - eg. high current account deficit/foreign indebtedness and growing gap between rich and poor.

Countries should have the sovereign right to choose their trading relationships on the basis of human rights, protection of social and environmental standards, preferential treatment of domestic industries, etc. Why should foreign corporations be given open slather and the hands of government, i.e. the democratic wishes of the people, be constrained?

Threats to agricultural resource base arising from global competition (on basis of price) given Australia's

impoverished resource base and erratic climate compared to northern hemisphere.

Exposure of public health, education etc. to foreign corporate penetration and eventual end to public sector on 'monopoly' grounds.

Failure of DFAT to consult with JSCOT (Joint Standing Committee on Treaties) on issues of FDI (Foreign Direct Investment). This was confirmed by Mr Husson.'

24-9-1999, Richard Sanders, STOP-MAI e-mail list, R.Sanders@mailbox.gu.edu.au <<mailto:R.Sanders@mailbox.gu.edu.au>>

In short, after the demise of the MAI, OECD governments including Australia promised to consult fully with the public prior to any future negotiations. This token effort by DFAT and similar OECD government agencies was to placate criticism that the WTO negotiations were not transparent. So therefore after the demise of the MAI it was back to business as usual.

As this next example will attest to, even if the WTO has a set formal process for negotiations, this does not guarantee Australia immunity from the incompetence of our own officials.

DAFT DFAT STRIKES BACK:

'Victorians could lose their jobs and a factory faces extinction because of a bureaucratic bungle. A technicality in an international trade deal has left workers at the Lilydale factory fighting for their jobs. Its product - a giant capacitor used in the power industry - was unwittingly lumped into a deal abolishing tariffs for the tiny capacitors used in computers. Overseas competitors are now importing the big capacitors tariff-free, so ABB Transmission and Distribution is losing millions of dollars in domestic sales. Workers fear they will be struck on the dole queue ...; if the factory is forced to close. "There's a lot of people here that would never work again," ABB stores co-ordinator Dolly Maher, 63, said. Industry Minister Nick Minchin said the matter had been raised with the World Trade Organisation, but the tariff could not be reinstated without the support of 48 countries. Victorian Manufacturing Minister Rob Hulls labelled the oversight a "monumental stuff-up".'

Herald Sun, Friday, January 21, 2000 **50 face sack in bungle** By Jen Kelly & Karen Collier Fifty

Conclusion

a) unless the Australian government drastically revises its 'free trade' analysis by factoring in the costs of the agreements on Australian communities, other than big businesses there are no opportunities for community involvement in developing Australia's negotiating positions on matters related to the WTO.

b) Victoria Parliament's FEDERAL-STATE RELATIONS COMMITTEE must convene an emergency briefing to be conducted preferably by Ted Murphy, Assistant Secretary to the National Teachers Education Union. This committee must demand an extension to the Joint Standing Committee on Treaties August 25th deadline, so as to properly:

i. conduct state wide consultations with all stake holders,

ii. prepare a detailed analysis on how all stake holders are likely to be affected by all the WTO agreements,

iii. not only demand but take it upon themselves to place open ended exceptions not only on all areas likely to be affected, but an open bracketed area for all future categories as well,

iv. demand a national referendum on Australia's membership to the WTO,

v. demand that corporations be made criminally liable for any anti-democratic influence that that may directly affect Australia,

vi. confiscate assets of corporations that have abused Australia's due democratic process,

vii. either deport or jail CEO's and members of business think tanks that are found to have contributed to the demise of Australia's due democratic systems and process,

viii. demand Australia's DFAT officials be made criminally liable for miss -representing the wishes of Australians, ie over concerns of GM food,

ix. demand that Australia withdraw from all WTO negotiations until such time that the Australian government can prove beyond reasonable doubt that we will all benefit from membership in the WTO, and only after a community coordinated costs analysis has been fully implemented into the negotiation process.

c) Australia's trade representatives must be made legally accountable to the people of Australia, and if necessary as the discredited MAI attests, be made criminally liable by the full force of Australian court of law for any false representation of Australia's communities interests.

SECTION 2.

To make an informed opinion on the rest of the criteria covering this public inquiry, without any cost analysis, seems to me to be a complete, absolute and utter waste of time. But for arguments sake lets go over the rest of the points.

2. The transparency and accountability of WTO operations and decision making;

3. The effectiveness of the WTO's dispute settlement procedures and the ease of access to these procedures;

The WTO is neither transparent nor accountable to anyone else other than the world's largest transnational corporations that have benefited from its 191 rulings. To impose the WTO onto the people of Australia without their permission is anti-democratic. The first step towards making the WTO accountable to Australia would be to hold some sort of national referendum, plebiscite or vote on whether Australians want to be a party to the WTO in the first place! Once we have the permission of the people we can then go on from there. But this would off-course totally undermine all the hard work done by the free traders in the last fifty years in the name of big business.

4. Australia's capacity to undertake WTO advocacy;

The aim of the WTO is to gain complete and unfettered market access for the world's corporations, to all the world's resources. For Australia to blindly advocate this on the behalf of the WTO, without any concept on how this would affect the world's communities is total madness. To give you an indication of this lunacy, take a look at how for instance the Most Favoured Nation, National Treatment and Market Access rules could affect the most disadvantaged.

Most Favoured Nation (MFN) treats all WTO member countries as equal trading partners. Countries cannot discriminate between their own and foreign products, services, persons &/or corporations. This forbids consumer boycotts against companies or countries that abuse human, environment &/or indigenous rights, etc. This would

guarantee the continuing of human rights abuse in all parts of the world where transnational corporations have unfair access to other countries resources.

For instance, under MFN:

despite the suffering of the Ogoni people, Shell's activities in Nigeria would continue unabated;

despite the suffering of the Uwa people of Columbia, Occidental would continue polluting them into oblivion;

despite the suffering of the people of Irian Jiya, Indonesia would continue their bloody campaign of quelling any indigenous unrest;

would spell the death knell for the Kurdish struggle for nationhood, and guarantee the continued genocidal policies of Turkey and Iraq to wipe out these people, etc.

National Treatment ensures that foreign products, services, persons &/or corporations are treated the same as domestic ones. Foreign transnational corporations (TNCs) have the same rights of access to funding on par to locally run community organisations. Countries can not, for example, place special restrictions on what foreign corporations can own, produce, transport or sell; maintain economic assistance programs for the pure benefit of ecologically sustainable development or require that a corporation hire a certain percentage of local personnel.

Market Access denies countries the right to distinguish between national and foreign products, services, persons &/or corporations. By their sheer size and power this could give foreign corporations more leverage in gaining access to both our export and home markets.

5. the involvement of peak bodies, industry groups and external lawyers in conducting WTO disputes;

Even if the whole WTO process was made accountable, democratic and transparent, and also factored in the costs to the communities around the world, the process of negotiations and procedures are extremely expensive. This cost is so inhabiting for the 3rd world that any meaningful involvement, which would have to include proper representation, is virtually impossible.

So this obviously raises serious questions about the whole point of the WTO. It can only be utilised by those who can afford to advantage of it. Geneva is an exceedingly expensive city. Many negotiations occur on line and most if not all of the OECD (Organisation for Economic Cooperation and Development) dedicate whole sections of government departments to the WTO negotiations.

So shouldn't the question be: **why would Australia wish to pursue agreements that seriously undermine and compromise those countries whose communities are least able to fend for themselves?**

6. The relationship between the WTO and regional economic arrangements;

The rules imposed by the WTO could undermine regions such as Bourganville that are struggling to gain international recognition for their right to self-economic determination. The WTO's National Treatment status would undermine Bourganville's ability to place restrictions on any development it deems harmful to its' people and environment.

7. the relationship between WTO agreements and other multilateral agreements, including

8. those on trade and related matters, and on environmental, human rights and labour standards; and ,

9. WTO rules weakening both international environment agreements and domestic environment standards because of the dominance of these rules in policy making arenas.

To not expect any international reaction from those communities reeling from the affects of the rulings imposed by the WTO is just plain silly. The ultimate aim of 'free trade' is to remove all government regulation or even the perceived threat of *'interference'* in corporate trans-border activity. As highlighted in SECTION 1, the WTO views other organisations such as the ILO as the rightful organisations to oversee the protection of environment and labour standards. This is because they are powerless to enforce agreements with corporations and countries that abuse these rights. Until the WTO places the enforcement of these rights above the wishes of corporations to self-regulate, then the deterioration of the world's environment and living standards will continue unabated.

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

How can one properly access this point when the WTO rulings and decisions are done in secret? Surely this highlights the naivety and/or ignorance of the authors of this inquiry into the mechanics of how the WTO functions, which certainly doesn't instil any confidence in the purpose of this public inquiry.

11. WTO rules weakening both international environment agreements and domestic environment standards because of the dominance of these rules in policy making arenas.

The intentions of the rules enshrined in the WTO are to weaken both international environment agreements and domestic environment standards. The reason being that corporations and/or peak business bodies wish to rollback all *'non-tariff-barriers'* to trade. Their version of a non-tariff-barrier may be someone else's democratic right to protect against for instance the destruction of the environment. These democratic rights have gone some way to curb the ongoing creeping of corporate power. Mining corporations as a non-tariff-barrier to their right to mine there, for instance, could target the preservation of Antarctica as a wilderness for the next 50 years.

As stated above in point No. 4, the reason why the Most Favoured Nation, National Treatment and Market Access rules dominate the WTO policy making arenas, is for the worlds corporations to gain unfettered access to the worlds resources.
