



# Doctors for the Environment Australia

Promoting health through care of the Environment

A branch of the International Society of Doctors  
for the Environment

The Secretary,  
Joint Standing Committee on Treaties,  
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Dear Secretary,

## Submission on USFTA

This submission from Doctors for the Environment Australia questions the validity of this proposed agreement in terms of the future health and wellbeing of humankind.

Doctors for the Environment Australia concerns itself with global and national issues which affect human health and wellbeing. These issues include climate change, loss of biodiversity affecting food production and environmental pollution that are dangerous to children. We point out that the World Health Organisation definition of 'health' is **'a state of complete physical, mental and social wellbeing, not merely the absence of disease or infirmity'**. All government decisions have the potential to affect health and the environment, hence our interest in the USFTA.

In addressing human health and wellbeing, we are not referring therefore to the discussion in the documents on medical issues such as pharmaceutical benefits, we are concerned with the potential effects of the proposed agreement on global issues and relationships between countries that may have a health impact.

## Background

The USA and Australia recognise the interdependence of nations in counteracting threats to all (eg "terror") and call for concerted action. By contrast, USFTA fails to recognise that Australia is part of a world which for its future survival, must recognise the interdependence of all peoples and its ecological systems. DEA has a major philosophical problem with the proposal; it smacks of self-interest. It promotes possible, though unproven, short-term economic gains for the participants without consideration of the long-term consequences for future generations. It is an agreement with the intent of benefiting two wealthy countries. There is no recognition that USFTA and other trade agreements might have long-term consequences for all nations by accelerating environmental damage, so creating a future debt for all.

In "Guide to the Agreement, Statement of Australian Objectives" it is stated "Free trade leads to higher economic growth, better living conditions and more and better job opportunities."

We believe that these assumptions can be contested on the basis of evidence from free trade agreements previously undertaken by the US. These assumptions can be further contested in that the domestic policies of the USA have neglected living conditions by paying 20% of their citizens a wage that is below the recognised poverty level. It is hard to escape the conclusion, therefore, that USFTA is part of the

ideology of the market economy which dominates political thinking to such an extent that health, wellbeing and their environmental support systems are disregarded. We note that USA policy decisions have rolled back internal laws and regulation on pollution, exploration of sensitive areas, environmental protection and have disregarded needs for international treaties and action on greenhouse emissions. These policy reversals have implications for all humanity.

Doctors for the Environment poses the question **“When the proponents of this agreement have provided a detailed analysis of the economic benefits of USFTA, why have they not analysed the externalities?”** Without this, environmental analysis it is not possible in order to pass an informed judgement on the proposal.

Doctors for the Environment, Australia cannot provide this information; it requires detailed research but we can indicate, by using some principles and examples, the line of study that should proceed. We make the point that many externalities must be analysed in all economic proposals. Of the many, we have selected two for discussion, (1) greenhouse emissions and (2) the environmental effects of competition and the use of subsidies and tariffs.

## **Greenhouse emissions**

Sir David King, chief scientist of the UK government, states “In my view, climate change is the most severe problem that we are facing today, more serious than the threat of terrorism.”

Of economic relevance is the March 2004 warning by Swiss Re, the world’s second largest reinsurer “that the costs of global warming threaten to spiral out of control, forcing the human race into a catastrophe of its own making”. Swiss Re reports that losses to insurers from environmental events have risen exponentially over the past 30 years, and are expected to rise even more rapidly still.

Recently the Pentagon commissioned a report on the ‘low probability-high impact’ worse case security scenario in which global climatic chaos could occur within the next 20 years. This Pentagon report could be seen as a response to the inactivity of the Bush government.

On the health agenda, the UN has calculated that global warming accounted for 150,000 extra deaths in 2000. Deaths will continue to increase from this base from heat stress, malnutrition, malaria and diarrhoeal diseases.

Around the world, thousands of scientists agree with these assessments.

If the proponents of USFTA agree with the magnitude of this problem, it behoves them to analyse the effects of this agreement on greenhouse emissions. This should now be part of every economic decision. In the case of agricultural produce, major externalities have not been costed, even nominally, particularly the true cost of fossil fuel usage in production and transport. The inclusion of such costs in the analysis may favour local production and indeed this may become the overriding necessity as climate change progresses.

Of necessity, if civilisation is to survive past 2050 in its present form, production will be local; the days of exchange of orange juice across the Pacific between the Americas and Australia, under the mantra of free competitive trade will be over!

## **The environmental effects of competition**

The issue of competition in relation to agricultural products must be considered. Agreements which promote exports may have negative or positive effects on community wellbeing. For example, grain

production for export from marginal lands provides income for some farming communities, but it leaves a large debt in loss of soil and ultimately productivity. If the land is truly marginal, farming it can be characterised as a form of unsustainable nutrient “mining”. There is a trade off here: in the short run, the wellbeing of farming families and their communities is maintained by this mining, but as the soil quality deteriorates, its farming becomes increasingly difficult and unprofitable, requiring either even more inputs (possibly subsidised) or its eventual abandonment. This process, especially if long drawn out by the maintenance of false hope, has well-recognised health and social costs, including depression, social isolation, family breakdown, high levels of indebtedness and sometimes suicide. The development of strategic plans thus requires consideration of a range of interrelated factors if the wellbeing of the community is to be maintained or improved.

Let us consider one example, world trade in beef, which is an integral part of USFTA. The most serious aspect of this world trade is the progressive destruction of the Amazon rainforests for beef production. This destruction has grave dangers for rainfall reduction in North America and is a major cause of greenhouse. This land clearing is fuelled by increasing demands for beef in Russia, China and countries such as Poland as well as the USA. Surely in an analysis of the beef trade between two wealthy countries that are cognisant of their responsibilities in the world, would include assessments of its effects on other countries. The conclusions of such an analysis might be that US beef production should be increased and if necessary subsidised once the environmental consequences of transport and the need to stop destruction of Amazonian forests are put into the climate change equation. This might be within a framework of tariffs to protect beef production in other countries. To put it simply, with the world in environmental crisis, free trade cannot be allowed to continue blithely, without analysis of its consequences

In terms of the future, it might be appropriate to use subsidies or tariffs to protect production that is local and sustainable and fulfils the best environmental criteria.

## **Conclusions and recommendations**

It is not possible to assess the positives and negatives of USFTA until the environmental implications have been costed. We accept that this is difficult for appropriate modelling has not been developed. However it would be reasonable to adopt costings for say greenhouse emissions based on the present global debt for damage from these.

It would also be reasonable to make some simple assessments as to whether the agreement will increase or reduce the ecological footprint of the two participating nations. The footprint is a useful measure because it illustrates that we are living unsustainably. For today’s world population there is 1.9 hectares of biologically productive land per person to supply resources and absorb wastes. The average person on this earth uses 2.3 hectares. The ‘footprint’ of the average American is 9.7 compared for example to 0.47 hectares used by the average Mozambican.

We are aware that our comments will be disregarded by those committed to the unfettered market system. But we will have succeeded if we sow a seed of enquiry in the minds of the Committee members. We ask them to consider what is the endpoint in 50 years, 100 years etc of an economic system, which includes free trade agreements, that has to operate for its successful functioning by means of perpetual “growth.”

It is notable that in Article 19.8 “The Parties recognise that multilateral environmental agreements to which they are both parties play an important role in protecting the environment globally and domestically and that their respective implementation of these agreements is critical to achieving the environmental objectives of these agreements”. Doctors for the Environment Australia makes the point that neither Party to the Agreement has supported the Kyoto protocol and the USFTA has not assessed the environmental impact of the Agreement.

David Shearman, Hon Secretary, Doctors for the Environment, Australia Inc.

