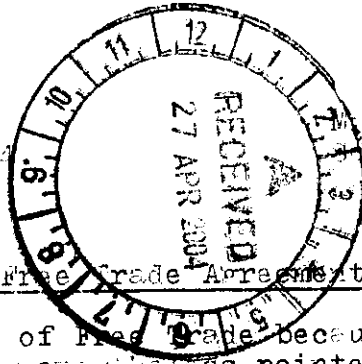


22nd April 2004



Dear Sir,

Enquiry into Free Trade Agreement.

I am not in favour of Free Trade because Ricardo, who thought it a good idea, nevertheless pointed out the necessary conditions for it to work. These are:

Capital must not be allowed to cross national borders from a high wage to a low wage country.  
Trade between the participating countries must be balanced.  
Each country must have full employment.

These conditions do not exist at present, nor have they ever existed so far as known.

If we have to have it, at least for some commodities, then:

Look closely at the small print  
Study the sentences very carefully. Could they be interpreted in more than one way, especially by astute lawyers, knowledge of U.S. law and procedure highly desirable.

Furthermore, businesses keen on free trade are focussing on the USA market. They may tend to ignore the possible disadvantages to other firms and the nation as a whole. There are risks that Australia may have become too dependent on a commodity or industry if it has done well in USA, thereby inducing neglect of other possibilities.

I have read again the recommendations in the Report of the Senate Committee on Foreign Affairs, Defence and Trade References concerning GATS and Free Trade. I find it easy to agree with these. Regarding the Australian-USA Free Trade Agreement I like the Recommendations in Chapter 6, and hope the Government will approve them.

May I humbly suggest that in all money transactions whether with other countries or within the nation, the first question should be WHO benefits, WHO gets the most money? At present it seems to me the results are unfair and do not accord with our belief in democracy. It is not quite exploitation of the weak by the strong but could easily become so.

Finally, to my simple housewife's mind, the aim to export more than we import is silly. If we think of goods instead of tokens of exchange (gold, money, notes, coins etc.) then the absurdity is exposed. We cannot eat money nor can we shelter under it. Paper notes might be burnt for heat but would not last long. Money must be backed by material goods or at least services.

p.t.o.

According to some economic thinkers, the drive for a surplus is to get tokens of exchange without having to pay interest to the Banks for providing them.

Recently I read Robert Skidelsky's "Fighting for Britain" the third volume of the biography of John Maynard Keynes. What about taking a look at Keynes' ideas for a trade balance, using Bancor as token of exchange, and insisting on nations in surplus spending it on nations in deficit with penalties for nations perpetually in deficit or surplus in so far as I understand the proposition. The name of Keynes is usually associated with the I.M.F. and the World Bank, but in fact they were established according to the ideas of Harry Dexter White and therefore were in the interests of the USA and not for the benefit of other nations, i.e. not enlightened self-interest. Britain was bankrupt and therefore Keynes had no leverage in bargaining. I realise that this requires multilateral agreement.

Yours faithfully,

*Eileen Kelly (Mrs)*

References: A fate worse than Debt. by Susan George.

Grip of Death by Michael Rowbotham, pub. Jon Carpenter  
2, Spendlove Centre, Charlbury, Oxfordshire, OX7 3 PQ

What Everybody really wants to know about Money by Frances  
Hutkinson, Jon Carpenter Publishing, address as above.

Fighting for Britain by Robert Skidelsky, published by Macmillan.

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Senate Select Committee on the Free Trade Agreement between  
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