

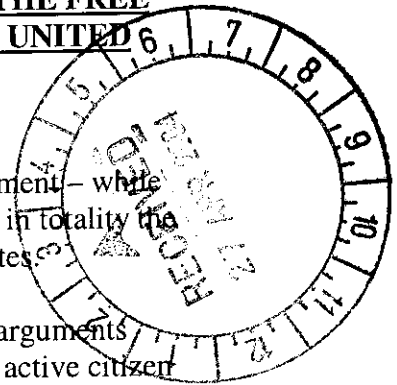
**SUBMISSION TO THE SENATE SELECT COMMITTEE ON THE FREE
TRADE AGREEMENT BETWEEN AUSTRALIA AND THE UNITED
STATES OF AMERICA**

I write as a concerned citizen to urge the Senate of the Australian Parliament – while there still is an *Australian* Senate in an *Australian* Parliament – to reject in totality the so-called ‘Free Trade Agreement’ between Australia and the United States.

I am sure that many people of far greater expertise will put to you their arguments against this agreement. My only qualification is that of a concerned and active citizen who believes that Australian democracy – even battered as it is by current and recent governments – is the best available protection of the diverse and distinctive Australian ways of life. I am not offering an economically rational argument here. If economic rationalism and unfettered competition were the only reasoning behind social organisation, then humanity would have no need for social organisation. That we choose to live in societies means that we chose to regulate the way we live together. And where we choose to live in democratic societies, we choose to regulate (along with *who* regulates and *how*) and act in the interest of the greater good of the society. At the same time, I would hope that a worthwhile contemporary democracy (one that is actually democratic) will also, as far as possible, protect the rights and opportunities of its diverse minorities. Social organisation is more than merely economic, and even economic activity surely exists to provide a benefit for society which transcends the merely economic. We work to live, rather than live to work.

I do not write in opposition to competition – quite the opposite. The freedom to fairly compete, to innovate, to challenge, to criticise, to support, to succeed or to fail within a society which welcomes alternatives and opportunities, is the economic concomitance of democracy. The proposed ‘free trade agreement’ does not support freedom to compete – it simply removes the mechanisms to defend competitive enterprise and innovation against unfairness. It almost guarantees elimination of fair competition and the installation of monopolistic corporatisation of the economy and thereby our society. It is akin to clear felling an ancient complex forest, napalming the remaining life forms and installing a monoculture of pines or eucalypts (seeded with poison baits and Roundup to prevent future regeneration) – and creating a landscape with “all the biodiversity of a carpark”. (I’ve forgotten who I should attribute this quotation to – however, Tasmanian Senators should at least recognise the analogy). My ultimate concern is that, just as our current Prime Minister has gutted any independent Australian foreign policy and hung it on American hooks to shrivel, the free trade agreement will extend this to our economy and ultimately our society and democracy.

Regulation and local control exist to allow competition to operate on level playing fields, and to admit the possibility of enterprise. We already know that, in practice, current ‘competition’ policies, driven by corporatist economic supremos, remove regulations which prevent larger corporations using their financial and market power to wipe out or absorb smaller competitors. They thereby reduce competition, maximising profit-making ability and removing the need for future worthwhile efficiency or innovation. They also initiates such breathtaking insanities as the



imposition of huge fines on state governments for attempting to mitigate (though, not *too* much – the taxes have to be thought of, after all ...) the sale of drugs of social destruction such as alcohol. Apparently, only when school canteens and creches have machines dispensing alcoholic drinks will the proponents of competition (and the owners of breweries) be satisfied. I know the last bit sounds like a digression – even a gentle eccentricity – but I see no evidence to suggest once the wildest lunacies of unregulated ‘competition and free trade’ are let out of the box, that we won’t find ourselves living with Looking Glass Land logic.

So-called ‘free trade’ agreements between radically unequal economies will have unequal outcomes. What we are doing by walking into this agreement is removing our defence against being swamped by an overwhelming US tide of financial, commercial, legal and political power. Surely in a country so diverted by sport, Australians ought instinctively to understand the importance of regulating. While I don’t doubt that there would be enthusiastic adherents of (at least watching, if not participating in) Roman arena style free-for-all bloodsports, most Australians accept that sport should be played within rules. The intention of the rules is to create equality of opportunity and fairness so that it is skill and fitness, rather than ruthless power, which decides outcomes. We usually expect that opposing football teams should be about equal in numbers, or that racehorses or golfers should be handicapped if there is no reasonable chance of anything or anyone else otherwise competing meaningfully against them. If ‘free trade’ policies applied to boxing, then only heavyweights would be champions. The best long term outcome we can hope for in the sort of ‘free trade’ arrangement brought in by the current proposed treaty is the South American option – abandoning diversity in economic production and locking ourselves into some specialised and totally dependent supply side sector of the US economy – devoting out economy to raising undifferentiated beef or sesame seeds for Macdonalds.

I can object to particular provisions – such as the opening of opportunities for powerful US corporations with enormous legal muscle to challenge and undermine existing services and regulations which protect the standards of living – and opportunities for improving these – of ordinary Australians. Provisions which, at the same time, weaken or remove the ability of future elected Australian governments (the ones which might realise the consequences of this event after the event) to make decisions in the interest of the people who elect them. This could or would be the case in such areas as environmental protection; quarantine; genetically engineered food products and labelling; communications and public broadcasting; foreign investment and ownership including the media (especially in regard to future technologies); public (and privatised public) utilities; essential and social services; copyright; pharmaceuticals; and support for local industry. And of course, there is the most obvious and immediate local ‘benefit’ of free trade agreements, the destruction of Australian industries such as textiles, clothing, footwear, motor vehicle parts and motor vehicle manufacturing through the removal of tariffs. It appears to have escaped the notice of the tunnel-visioned proponents of free trade that employed people generate income and taxes (as indeed do tariffs), whereas unemployed people on social services (and no tariffs) either do not, or produce a cost amidst their social and economic dislocation. However, there is comfort in the probability that the loss of a few hundred thousand jobs to migrants, women and unionists - often in country towns or socially disadvantaged areas - will have almost no impact at all on the

lifestyles of those in the upper echelons of multinational and American corporations, or in the ranks of government trade negotiators.

There is, of course, a vital link between democracy and trade policies. Free trade may well be able to flourish within democracy (for a time at least until the former strangles the latter) but the reverse is not true. Inequity of power and privilege, and unregulated market place morality is not the stuff of flourishing democracy. Democracy is more than just being allowed to turn up every few years to put a piece of paper in a ballot box. Democracy only really exists in a society where equity of opportunity is at least an actively pursued goal; where an environment exists where every citizen has the opportunity to actively and continuously participate in governance. Even at the basic level, this means having the right to hear and be heard and the right to make choices and vote to elect representative to the legislative and executive institutions which actually run the country. The proposed free trade agreement signs away, in perpetuity, many of these rights. Whenever future Australian governments have the temerity to pass laws to broaden public education; protect a sensitive environment against an economic activity; apply standards of compassion or social justice to decision-making; support a local enterprise; protect safety and working conditions; or almost anything else elected governments routinely do in the public interest, they may face costly legal challenges and potential punishment from powerful interests outside Australia who feel these activities may in some way hamper their ability to make uncontrolled profits.

With this 'free trade' agreement, members and employees of Australian Governments might as well activate their pensions and walk away (indeed they had better do so quickly while there is still something to activate). Since they will have become pointless, we can then save ourselves the trouble and expense of electing representatives or of employing public servants who have no power to legislate or administer in relation to Australian society or its economy. Ultimately free trade and competition will, as always, eliminate the smaller entities in favour of the larger. Perhaps, in the name of efficiency, rationalism and maximisation of profits to shareholders, Australia could be 'mainstreamed' into US administration (somewhat like ATSIC) or, more realistically, into one of the multinationals that already has an economy bigger than Australia's. It's as economically rational an argument for free trade as I can muster. Maybe in the Looking Glass Land the USFTA will take us into, it will make sense, too.

Graham Spindler

22 April 2004