

SENATE SELECT COMMITTEE ON THE USFTA
Parliament House
Canberra 2600

Fax: (61+2) 6277 3830

SUBMISSION ON THE USFTA

The two greatest objections to the USFTA are, in my view, the US's blatant attempt to infiltrate our law-making mechanisms (see Quarantine, GM, the Annexes and other areas) thus depriving us of our democracy for the sake of US business (and probably US power). The second is the gross inequality of power in the relationship.

"Democracy" is defined by Oxford as "a State having government by all the people: direct or representative" NOT a state whose elected government is hamstrung by laws to which it subscribes because it was seduced into it by doubtful claims of friendship by a foreign power, the "mateship" of two leaders, and a sneaking desire of the smaller power to keep in the huge power's good books. (If you consider this outrageous, I refer you to the startlingly frank admission by the Foreign Minister, Alexander Downer, on 2nd March, that a major factor in committing troops to the war in Iraq, was the fear of damaging Australia's alliance with the US. I submit that the motive in entertaining this Agreement is very similar to that, particularly as the CII economic consultants, in their original study, predicted gains for the Australian economy of only 0.3% after 10 years, and that was assuming genuinely free trade in agriculture.) Merely running elections does not constitute democracy: the government so elected must be free of such pre-emptive constraints as will prevent them carrying out the will of the people (electors). The USFTA is designed to preclude this in many areas, so it is robbing us of our democracy. Ironical, considering the noises being made by George Bush about Iraq.

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 that 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? Why are we entertaining this deal, as it is so obviously to our disadvantage?

However devious and concealed the mechanism in this change in the rules may be, the object is clear: 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. 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

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proponent. Many people believe that this ideology is flawed. I for one believe it is 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 INCREASE 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 ACCELERATE CLIMATE CHANGE, just to prop up a doubtful ideology, is, to say the least, stupid. We will eventually wake up! So don't let us tie ourselves into it.

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 USITR, 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 with laws they cannot alter because they originate in foreign countries. The people elect new governments because they want change. (this is democracy), and this agreement will see change denied them. 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 CONSULTATION "with a view towards ALLOWING SUCH A CLAIM and ESTABLISHING SUCH A PROCEDURE." (Article 11.16.1). So not much has changed, despite claims to the contrary. We must be careful 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 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. These joint ventures bring us some input and control over decisions so that in making them Australia's wellbeing may be a consideration. As well, the request is for no limits on the numbers of service providers (where scenarios could arise, such as Australian firms being swamped by US Firms backed by so much money that they can afford to discount til our Australian firms go bankrupt. There is also a request for no requirements for staffing numbers for particular services (where

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perhaps an example of our disadvantage may be that US 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 their staffing numbers back to their previous level, with service similar to the initial service.)

Our qualifications, licensing and technical standards 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) is adequate, but only just. Pity if Australia became known for high quality work! Our requiring world's best practice in any field 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 2, future Australian governments are limited in the laws they can introduce for new media. Clearly this will cause substantial limitation in the development in these fields, in the experience that allows the development of artistic talent, in the opportunity for development in the skill of our technicians in the artistic areas, in the development of audience appreciation of the Australian voice (point of view, and characteristic means of expressing it), in the bottom line of jobs, and the amount of money going back to our tax office to support Australian life. Add to this my general comments on democracy.

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 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 the US 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. In my view, there is no such thing as an acceptable risk, when it is replacing a negligible risk as we have now. Do you not appreciate how much more important to Australia it is over the long haul, to be free of imported diseases, than to import pineapples from Hawaii --- or wherever?

GM FOOD LABELLING LAWS AND CROP REGULATIONS

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

Although the government commissioned 3 economic studies, before Oct. '03 no environmental impact study (EIS) was done on the prospective effects on Australia of the USF 1A. In Oct '03, OzProspect published one independently. It makes interesting reading that may well alter one's

While I understand the concept of a trade agreement, concessions in return for concessions - submit that the concessions requested of us are outrageous ----- our democracy ----- our freedom ----- in return for what? A few million dollars over whatever years! Had we made such requests to them, they'd laugh!

That we imagine we have any sort of obligation to entertain any of this, all of which is to our disadvantage, can only be explained by the imbalance of power between our two countries. 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 are a thinly disguised effort at controlling our policies and agendas.

We are still a free country ----- and should reject this unequal Agreement OUTRIGHT.

Isabel Higgins
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