

Members of the Senate Select Committee:

The small economic benefits claimed by the government to flow from a Free Trade Agreement with the USA assumed full trade liberalisation in agriculture. However, you must recognise that with sugar excluded, the potential gains for dairy quite illusory, and beef products having to wait 18 years for full access, there is no economic benefit, only economic and social pain, for Australia in the proposed Agreement.

The response to this economic outcome by supporters of the Agreement - that no matter how bad the agreement is, it is good for us because it gives access to the world's leading economy - cannot withstand scrutiny.

Australia is already highly integrated with the US economy in goods, services and finance, and in education about business systems. This integration already produces a massive trade deficit with the US. Except for a few products and services of special significance, there is already virtual free trade and investment between the two economies. The supporters of greater integration are really calling for a widespread takeover of medium size Australian enterprises by US corporations, and this is facilitated by the new \$800 million threshold for Foreign Investment Review Board scrutiny of US investments under the proposed Agreement.

This development could only lead to significant closure of productive enterprises in Australia, and a greater outflow of revenues in dividends, royalties and interest, thus weakening our society in the medium to long term.

I urge your committee to find that this proposed treaty is not in Australia's interests and that it should be rejected.

Thank you for your consideration.
Frances Meredith