



Australian Pensioners' and Superannuants' League Qld Inc

Submission to

**The Senate
Select Committee on the Free Trade Agreement
Between Australia and the United States of America**

April 2004

Introduction

The Australian Pensioners' and Superannuants' League Qld Inc. (the League) is a voluntary representative body providing support, advocacy and referral services to pensioners of all types and acting also as a lobby group on behalf of all pensioners and the elderly.

The League welcomes the opportunity for input into the discussions about the proposed Free Trade Agreement between the USA and Australia (AUSFTA) and will address the Terms of Reference as well as other issues arising from these Agreements.

These Agreements are all about trade liberalisation and, if the history of these and similar agreements in other parts of the world is an indicator, Australia's commitment to them will lead to severe economic and social changes that will be detrimental to Australian citizens and our national aspirations.

The Big Lie About Free Trade

Understanding the debate about free trade requires serious effort to separate rhetoric from reality. Nowhere is this more pronounced than in the almost daily attempts by government and the sycophantic Australian media to associate free trade with democracy and prosperity.

The plan by the USA to extend the North America Free Trade Agreement (NAFTA) to include nearly all of the countries in the western hemisphere through the Free Trade Area of the Americas (FTAA) has an agenda designed to allow corporations that are already, in many cases, guilty of exploitative business practices to have expanded powers to sue governments that 'hinder trade', among other proposals of benefit to corporations.

As recently as 31 October 2003 the Parliamentarians of Mexico, Uruguay, Costa Rica, Bolivia, Nicaragua, Ecuador, El Salvador, Venezuela, Peru, Colombia and Quebec issued a joint statement opposing the FTAA and gave their reasons for doing so. (Attached)

Australia, through the anxious avarice of the Howard Government, is hastening to ratify a similar agreement with the US to strengthen in Australia the types of businesses dominating today's global economic system, businesses that operates on the basis of finding the cheapest labour source and charging the highest price to the consumer, the key components of 'free market' or 'free trade' ideology.

Increased trade is not the automatic guarantee of poverty reduction or increased prosperity, rather the evidence shows that it leads to increased levels of poverty and exploitation by large corporations.

Trade can work as a real engine for genuine broad-based economic growth.

Increasingly, global business operates in a "triangular manufacturing" system.¹

Under this system companies take orders from Europe and the US, contract them out to lower wage economies and then ship the finished goods back to the buyers. This method of 'outsourcing' eliminates any contact between the low-paid producers and management operations, releasing employers from any responsibility for workers.

¹ *What Hope for "Ethical" Trade in the Globalised Garment Industry*, Hale, A., in Broad (Ed.), 'Global Backlash', 2002

A Special Report, *Does Globalisation Help the Poor?*² focuses on the three decades of globalisation's most rapid growth and finds that the outcomes for the poor were exactly the opposite of what is claimed by globalisation advocates and in fact finds that globalisation policies have contributed to increased poverty, increased inequality between and within nations, increased hunger, increased corporate concentration, decreased social services and decreased power of labour in relation to global corporations.

More and more it is becoming evident that the "Free Trade" ethos has been an abysmal failure and that the future of the world must lie with Fair Trade.

Economic Policies

Geoff Edwards comments that "Trade liberalisation is a policy that commits countries to dedicating their human and natural resources to serving the needs of foreign nations rather than their own. If the driving force is genuine comparative advantage, then both can benefit, but much trade is driven simply by disparities in exchange rates of the currency as deemed by the financial markets."³

Even in a country as wealthy as the United States, 6.1 million adults and 3.3 million children experience outright hunger. Some 10% of US households, accounting for 31 million people, do not have access to enough food to meet their basic needs. What will happen to Australia if the USA can't provide for its own citizens?

Trade Policies

Free Trade or Fair Trade (and development)

"Fair Trade is about giving poor people power: by paying producers a fair price for their work, helping them gain the skills and knowledge they need to develop their businesses, and challenging ways of trading which keep people poor. Fair Trade means that many of the people who rely on selling crafts and textiles for a living, or who produce food items such as tea, coffee, honey and chocolate, now have the chance to work their way out of poverty." Oxfam http://www.oxfam.org.uk/fair_trade.html

Fair trade aims to guarantee a living wage in the local context, offering employees opportunities for advancement and providing equal opportunities for all people, particularly the most disadvantaged.

Fair trade should involve engaging in environmentally sustainable practices, being open to public accountability, building long-term trade relationships, providing healthy and safe working conditions within the local context and providing financial and technical assistance to producers whenever possible.

Free trade, on the other hand, requires effort to separate rhetoric from reality. Nowhere is this more pronounced than in the almost daily attempts by protagonists to associate free trade with democracy and prosperity.

² *Does Globalisation Help the Poor? A Special Report* Edited by: Debi Barker and Jerry Mander With Articles by: Walden Bello, John Cavanagh, Michael Chossudovsky, Victoria Tauli-Corpus, Martin Khor Bruce Rich and Vandana Shiva and more. The report can be ordered from <http://www.ifg.org/order.htm>

³ (Our Brothers' Keeper The National Interest and Accountability for Others' Well-being by Geoff Edwards School of Politics and Public Policy, Griffith University, Queensland 4111, Australia)

Trade can be utilised as an engine of growth for all and can help to lift marginalised, small-scale producers from their poverty. It is the specific **rules** of trade that are overwhelmingly unfair and exploitative.

Trade, under more equitable and less hypocritical rules, can work as a real engine for genuine broad-based economic growth. Complete withdrawal from the international trading system, on the other hand, would leave the world's poor even further adrift and isolated.

The plan by the USA to extend the North America Free Trade Agreement (NAFTA) to include nearly all of the countries in the western hemisphere through the Free Trade Area of the Americas (FTAA) is a case in point. The agenda here is designed to allow corporations that are already, in many cases guilty of exploitative business practices, to have expanded powers to sue governments that 'hinder trade'.

As recently as 31 October this year, the Parliamentarians of Mexico, Uruguay, Costa Rica, Bolivia, Nicaragua, Ecuador, El Salvador, Venezuela, Peru, Colombia and Quebec issued a joint statement opposing the FTAA and gave their reasons for doing so. (A copy of this document is available from the writer by (Attachment 2).

Australia, through the anxious avarice of the Howard Government and to a lesser and more cautious extent the Opposition, is hastening to sign up for a similar agreement with the US to implement the type of business dominating today's global economic system. Business that operates on the basis of finding the cheapest labour source and charging the highest price to the consumer, the key component of 'free market' or 'free trade' ideology.

In the eyes of those who are pro globalisation, represented amongst others by the World Bank, the IMF and the WTO, all trade is good trade and every trade barrier is a bad barrier.

Increased trade is not the automatic guarantee of poverty reduction that the presently dominant economic view contends.

Fair trade advocates and other civil society groups are often branded as protectionists or isolationists who oppose trade per se. This is a distortion.

They are, in fact, acutely pessimistic about trade, believing it leads to more poverty and exploitation by TNC's (Trans National Corporations) of poor countries. The evidence of the last twenty years bears this out – the huge increase in wealth generated by trade under globalisation has not been matched by a parallel progress in poverty reduction, or in broader progress towards human development.

Increasingly, global businesses operate in a "triangular manufacturing" system.⁴

Under this system companies take orders from Europe and the US, contract them out to lower wage economies and then ship the finished goods back to the buyers.

This method of 'outsourcing' eliminates any contact between the low-paid producers and management operations and absolves employers from any responsibility for workers.

Fair trade seeks to reverse this emergence of "manufacturing without factories" by encouraging direct contact with producers, ensuring greater participation and guaranteeing long-term relationships. By establishing 'good practice' models, Fair trade provides a clear alternative to the flawed premise that a business can't be successful unless it maximises its profit.

⁴ *What Hope for "Ethical" Trade in the Globalised Garment Industry*, Hale, A., in Broad (Ed.), 'Global Backlash', 2002

Fair trade means supporting reform of the current system for a more balanced rules-based system of trade that gives poor countries a reasonable stake in global prosperity, which the UK finance minister recently called a commitment to ‘inclusive globalisation’.⁵

Whilst supposedly promoting the “free trade” rhetoric, this Free Trade Agreement is in reality attacking the basics of national sovereignty and national self-determination.

A Special Report *Does Globalisation Help the Poor?*⁶ concentrates on the three decades of globalisation's most rapid growth and finds that the outcomes for the poor were exactly the opposite of what is claimed by globalisation advocates and in fact finds that globalisation policies have contributed to increased poverty, increased inequality between and within nations, increased hunger, increased corporate concentration, decreased social services and decreased power of labour vis-a-vis global corporations.

More and more it is becoming evident that the “Free Trade” ethos has been an abysmal failure and that the future of the world must lie with Fair Trade.

In the interests of promoting the welfare of its own citizens, who are already suffering under Australia's present open-door non-protectionist policies, Australia must reject this and all other free trade agreements unless there is a demonstrable benefit for Australians rather than vague promises of multi-million dollars worth of new investment.

⁵ Reference Brown, G., ‘*Tackling Poverty: A Global New Deal*’, 2001.

⁶ *Does Globalisation Help the Poor? A Special Report* Edited by: Debi Barker and Jerry Mander With Articles by: Walden Bello, John Cavanagh, Michael Chossudovsky, Victoria Tauli-Corpus, Martin Khor Bruce Rich and Vandana Shiva and more. The report can be ordered from <http://www.ifg.org/order.htm>

Investment Policies

The League believes that immediately past, current and future investment policies under free trade agreements will continue to see the dismantling of Australian industries, the loss of Australian jobs, the widening of the gap between rich and poor and the ultimate loss of Australian ownership of its own resources and products.

Geoff Edwards in a paper published in March 2002⁷ asserted that foreign investment takes more than it gives. He quoted the Federal Government's 1997 White Paper *In the National Interest*, issued on 28 August 1997, which "views foreign investment through rose-coloured glasses (e.g. cl.15, which asserts that it is in Australia's interest to attract foreign investment, to make up a shortfall of domestic savings). There are three problems with this approach.

"First is the effect on domestic economic vigour. There are no criteria to distinguish capacity-building foreign investment from asset stripping. Foreign direct investment can help a recipient country if it establishes new productive enterprises, but not if it simply means transfer of ownership of local assets to foreign ownership or repatriation of rent, dividends and profits. Companies invest in the hope that they will eventually gain more from the country than they contribute (though 'gain' can be counted in systemic advantage not just profits). Australia benefits only if the incoming company brings and leaves infrastructure or other capacity that Australia did not have *and could not generate itself*. Enforcement of a proviso of this kind would have barred many of the takeovers of viable Australian businesses that have been approved in recent years.

"Second is the effect on developing countries. At cl.15, the 1997 paper endorses a continual inflow of foreign savings. There is no obvious moral reason why Australia, a capital-rich country with a high standard of living, should indefinitely attract investment capital into its borders at the potential expense of capital-poor developing countries. Expressed in other words, there is an ethical case to be answered as to why Australia should seek to attract other countries' savings to make up a shortfall of its own, caused by its level of consumption and its import-driven conception of prosperity. This denies the legitimate claims of developing countries to capital and indeed Australia's own support (e.g. at Monterrey in March 2002) of foreign direct investment as an alternative to official development assistance as aid."

Social Policies

The AUSFTA is, by any reading, an assault on Australian democracy, sovereignty and development. It must be fought for what it is: an assault on peoples' fundamental rights to democracy, sovereignty and development.

The negotiations of this agreement were noteworthy for their lack of transparency and for their violation of the most elementary democratic principles. Australians - even parliamentary representatives - were not informed, were not associated with the discussions, were not consulted nor called to express their views on the drafting of the most decisive treaty for the future of our nation.

The goal of the treaty is not to establish a social project responsive to the needs of the vast majority of the population but to legitimise the elaboration of a legal framework allowing systematic plundering by a tiny minority of owners.

National sovereignty, already badly strained by years of neo-liberalist stupidity, is being directly threatened by this FTA and limited by the ongoing supremacy of treaties.

⁷ Our Brothers' Keeper The National Interest and Accountability for Others' Well-being
Geoff Edwards, School of Politics and Public Policy, Griffith University, Queensland 4111, Australia

This is notably true of the provisions relating to investments – which grant huge privileges to capital owners (national treatment), protect their intellectual property rights (patents) and open the doors to every key sector, including public services (education, healthcare, etc) and natural resources (water, energy, telecommunications and biodiversity amongst others) and denies those Australia the right to constrain investors (or speculators), be it in terms of exports, access to technology, employment or environment protection.

All these provisions will work to the social disadvantage of Australian citizens.

Cultural Integrity and the Media

The World Trade Organisation (WTO) has already been used to by America to strike down Canada's ability to protect its magazines. The massive US entertainment industry, which sees culture strictly as a business, has convinced the US Administration to fight cultural protectionism in any form and to advance its global interests. At the WTO talks in Seattle, new negotiations were discussed to further liberalise telecommunications, including the Internet and digital technologies, as well as patents, trademarks and *copyright law*.

Australia's ABC public broadcasting system is a threatened target under the FTA and the already Americanised commercial media will continue to rob Australians of their heritage through our inability to combat the mega-dollars available to the US corporations intent on takeover and control.

“Open source advocates wary of FTA (Mar 12, SMH) - Australian open source developers and advocates are wary of the free trade agreement (FTA) struck with the US, saying it would lead to the acceptance of American-style patent and intellectual property laws which, in turn, would cripple the local software industry. More: <http://www.smh.com.au/articles/2004/03/12/1078594541560.html>”

Environment Policies

Under the proposed GATS regime, foreign for-profit corporations will have the right to establish themselves in Australia.

They will have the right to compete for public dollars with public institutions and these private service corporations will be able to change service activities now considered fundamental rights, *such as water supply and sewerage services*, into market mechanisms and sources of profit.

Virtually unlimited access to foreign suppliers will have to be given to municipal contracts in construction, sewage, garbage disposal, sanitation, tourism and water services. The courageous fight-back by the people of Cochabamba in Bolivia against a World Bank-imposed water privatisation scheme, in which engineering giant Bechtel was forced to leave the country, will be impossible under this FTA.

Simply put, the "commons" (areas of common heritage, like seeds and genes, air and water, culture and heritage and health care and education) - or what's left of them - will be under full assault. These will be 'commodified', 'privatised' and sold to the highest bidder on the open market.

Australia which has (and cherishes) a national, universal health care system, already under threat from Government ideologically driven policies, will lose it.

The FTA will affect every single aspect of public life. Already, as a result of economic globalisation, every country in the world is undergoing a fundamental transformation. Wealth is gushing to the top as a growing economic chasm separates those who are benefiting from the system and from an entrenched and expanding underclass.

Agriculture

The following items are merely a brief indication of the dangers facing Australia's primary producers if the FTA is ratified.

“Farmer confidence falls across nation (Mar 29) - The bulk of farmers are unconvinced the federal government's Free Trade Agreement (FTA) with the United States will benefit them, according to the latest quarterly Rabobank Rural Confidence Survey. Just over one third (34 per cent) of farmers said the FTA would have a positive effect on the rural sector, while 31 per cent believe it would have a negative to little effect. More: <http://www.theage.com.au/articles/2004/03/29/1080544419220.html>”

“The Farm Crisis, Bigger Farms, and the Myths of “Competition” and “Efficiency” - The Canadian Farmers' Union has produced a damning assessment of how free trade has affected Canadian farmers. Find out what's in store for us http://www.nfu.ca/briefs/Myths_PREP_PDF_TWO.bri.pdf”

“Chicken processor fears quarantine compromise (ABC, Mar 9) -One of the country's largest chicken meat processors is worried Australia's quarantine standards will be compromised by the free trade agreement with the United States. Chairman of Barrter Enterprises, Peter Barrter, says the establishment of a joint quarantine working group might put trade issues ahead of biosecurity. More: <http://www.abc.net.au/rural/news/stories/s1062000.htm>”

Health

Australia has already specifically committed chiropractic/podiatry, dental services and health insurance to the full force of National Treatment and Market Access Provisions of the GATS.

This puts present and future public dental programs in jeopardy. Governments can be required to match support of public dental services with support for dental services offered by overseas corporations. Market forces, that take no account of distribution, access or equity, could become the ultimate determining regulator of dental care.

Fundamental protection for public health insurance is undefined and may be open to interpretation. The GATS rules restricting monopolies (Article VIII.4) could expose to challenge any future expansion of Medicare coverage to encompass health services currently covered by private health insurance such as dental and allied health services.

Under the Howard government out of pocket health expenses have increased by over 50% while bulk billing rates have plummeted from 80.6% to 66.5%. This fatal combination means that increasingly access to health care is being determined by earning capacity.

Medicare is a core “social wage” issue for Australians. In 1984 workers agreed to a 2.6% wages discount to offset the effect on prices of introducing Medicare. We paid for Medicare then and we continued to pay for it for all Australians through our progressive taxation system. This is the fair way to ensure health care for all is based on need and not ability to pay.

Before Medicare, health care was dispensed like charity to those who could not afford to pay for it. It was a humiliating experience for the patient and unfair to expect doctors to assess wealth as well as health.

Before Medibank (Medicare's predecessor) was introduced in 1973, the most common reason for imprisonment in South Australia was for debt caused by failure to pay medical bills. History can easily repeat itself given the fundamental philosophical shift that has occurred in health under the Howard government. Out of pocket health expenses have grown in recent years and are set to get much worse under the Howard government's agenda for healthcare. A safety net can never replace a universal system. We are moving towards a US style "user pays" model for health care – and hasn't that system delivered results!

The PBS

Of concern to the League is the potential negative cost effect on the Pharmaceutical Benefits Scheme (PBS) that may arise from the AUSFTA. Given that growth in pharmaceutical costs has been identified as the most significant driver of health care costs the government needs to be satisfied that the changes proposed in the AUSFTA will not drive drug costs up.

Significant numbers of health experts have expressed concern that they believe drug costs will rise as a result of the AUSFTA. If US pharmaceutical companies have their way the costs of their drugs in Australia will increase. They do not care whether this is paid for by individual consumers or through the collective purse, in this case the PBS. Either way, Australian taxpayers will be footing the bill.

This aspect of pharmaceutical trade has been highlighted recently by problems encountered by developing countries wanting to access affordable HIV/AIDS and anti-malarial drugs.

Dr Ken Harvey, Senior Lecturer, School of Public Health at La Trobe University (an inaugural member of the Commonwealth's Pharmaceutical Health and Rational Use of Medicines (PHARM) Committee) has highlighted some serious concerns.

Major concessions that have been given to the US pharmaceutical industry in the AUSFTA are likely to undermine the Australian PBS and ultimately increase the costs of drugs to Australian consumers.

There is a lack of balance in agreement – the focus is on the rights of drug manufacturers and not the right of consumers to equitable access to affordable drugs.

There is a failure to include a key principle of the Doha Declaration on the TRIPS Agreement and public health (adopted by the WTO Ministerial Conference in November 2001), namely that trade agreements should be interpreted and implemented so as to protect public health and promote access to medicines for all.

The implementation of an appeals process into the Pharmaceutical Benefits Advisory Committee (PBAC) processes is likely to favour transnational drug companies. The introduction of such appeals processes was previously rejected by a PBS review in 2000.

There is a provision that will allow for dissemination of drug information via the internet. This will allow Direct To Consumer Advertising (DTCA) in Australia. Such advertising is legal in the USA but not in Australia and is associated with substantial increase in usage of drugs that is often not associated with best practice.

It also appears that there may be planned extensive changes to patent laws that could delay the introduction of cost effective generic drugs.

The League strongly supports these views and those expressed in the conclusion of Dr Harvey's analysis of the agreement:

In conclusion, it is very sad that at the same time that the Australian Health Insurance Commission is successfully exporting Australian medicinal drug policy to many countries wishing to balance public health policy with industry policy; the current Australian government has totally ignored public health considerations in a one-sided trade agreement with the USA.

Other health related concerns

The Doctors Reform Society has undertaken an analysis of the AUSFTA that goes beyond concerns about the potential negative effects on the PBS. They identified the following parts of the agreement that are relevant to health care:

- Chapter 10 Cross-Border Trade in Services;
- Chapter 13 Financial services (includes health insurance);
- Annex II (includes exclusions for Social services);
- side letter regarding gambling, alcohol, firearms and tobacco;
- Chapter 2: Market Access, Annex 2.C Pharmaceuticals;
- Chapter 17 Intellectual Property Rights;
- side letter on the Pharmaceutical Benefits Scheme (PBS).

Their analysis identifies some areas of particular concern in the agreement, some of which are shared by Dr Harvey. In summary these are that:

- *Public services not protected;*
- *Health care not unambiguously excluded;*
- *Qualifications, standards and licensing requirements need to be ‘not more burdensome than necessary to ensure the quality of the service’;*
- *Public health measures open to interpretation by trade dispute panels;*
- *Greater influence of pharmaceutical companies into the functioning of the PBS, weakening the price control capacity of Pharmaceutical Benefits Advisory Committee (PBAC);*
- *Creation of a ‘Medicines Working Group’ (MWG) with the US government whose pharmaceutical policy is one of the most expensive and inequitable;*
- *Increased patent rights for pharmaceutical companies resulting in higher cost for the PBS and ultimately the Australian people;*
- *The beginning of direct-to-consumer advertising (DTCA) of pharmaceutical drugs.*

The League shares the DRS’s concern in relation to the potential impact of health policy, in particular the potential that exists for our health policy determination to be influenced by the a trade treaty, in this case the AUSFTA. This is of particular concern given that the USA has arguably the most costly, inefficient and inequitable health and pharmaceutical systems in the developed world.

Education

Under the proposed FTA, US for-profit education corporations will have the right to establish themselves in Australia. The Australian Government has already committed Australia to opening up to foreign ownership, under the WTO sponsored General Agreement on Trade in Services (GATS), the following sectors:

Secondary education services (922)**

(Covers general as well as technical and vocational education at the secondary level in private institutions with no limitations on Market Access or on National Treatment.)

Higher education services (923) (No limitations on Market Access or on National Treatment.)**

They will have the right to compete for public dollars with public institutions like schools. Standards for education professionals will be subject to FTA rules and review to ensure they are not an impediment to trade.

Degree granting authority will be given to US-based education corporations and Australia won't be able to stop the trans-border competition of low-cost (and thus low-quality) education professionals.

Australia will no longer be able to afford to publicly fund education. (Which governments could fund their own public services as well as any foreign-based corporation that claims equal rights to that money?).

Private service corporations will be able to change service activities now considered fundamental rights, ***such as education and culture***, into market mechanisms and sources of profit. The WTO already refers to the "Education Market" and is systematically subjecting education, training and research to market laws.

Domestic policies to protect the cultural diversity of communities and minorities are considered "obstacles to trade" by the FTA and are headed for elimination.

For-profit childcare chains could invade Australia.

Simply put, the "commons" (areas of common heritage, like seeds and genes, air and water, culture and heritage and health care and education) - or what's left of them - will be under full assault. These can be 'commodified', 'privatised' and sold to the highest bidder on the open market.

To ensure what American education writer Jonathan Kozol calls "survival of the children of the fittest," a tiered system of education and social security is becoming the norm in Australia as we collectively abandon our earlier dream of universal education. Increasingly we are creating top schools (and health care systems) for the economical elite of the country and a tiered system - or no system at all - for those who don't count.

Conclusion

The League is most concerned that the AUSFTA is flirting with the demise of Australia's sovereignty, our employment base, our culture, our standard of living and indeed the future of all Australians.

The League urges the Federal Government to place a moratorium on any further negotiations or ratification of the AUSFTA or any other Free Trade Agreement, until a cost/benefit analysis has been conducted and the results made known to and voted upon by all Australians.

The League also recommends that the Government establish a National Health Reform Council to review the entire health system in Australia, in consultation with the entire Australian community and refrain from ratifying the AUSFTA or any other treaty or international agreement until the recommendations of that Council have been considered and adopted by all Australians.

Yvonne Zardani OAM
State Secretary

Sources

Aileen Kwa, research associate with Focus on the Global South based in Geneva.

Alliance to Expose GATS

The Global Governance of Trade As If Development Really Mattered – Dani Rodrik Background paper to the UNDP project on Trade and Sustainable Human Development. The full document can be downloaded as a pdf file from here:

<http://www.undp.org/mainundp/propoor/>

Fair Trade Resource Network:

<http://www.fairtraderesource.org/resources.html>

Fair Trade Links

Fair Trade Foundation

<http://www.fairtrade.org.uk/>

Fair Trade Labeling Organisation International

<http://www.fairtrade.net/>

International Federation for Alternative Trade

<http://www.ifat.org/dwr/index.html>

European Fair Trade Association

<http://www.eftafairtrade.org/>

Web based resources for GATS & WTO Information include:

ABC Radio National Background Briefing

“Son of MAI”

<http://www.abc.net.au/rn/talks/bbing/stories/s586637.htm>

ACTU

<http://www.actu.asn.au>

Australian Council of Trade Unions web site go to research and resources and then International and Community pages

AFTINET (Australian Fair Trade and Investment Network)

<http://www.aftinet.org.au>

ATTAC (International network for democratic control over international finance)

<http://attac.org/indexen/index.html>

Corporate Europe Observatory

<http://www.xs4all.nl/~ceo/>

Corporate Watch [UK]

<http://www.corporatewatch.org.uk/>

Council of Canadians go to Trade Campaign.

www.Canadians.org/

GATSWatch

<http://www.gatswatch.org/>

International Forum on Globalisation

<http://www.ifg.org/>

Public Citizen - Global Trade Watch

<http://www.citizen.org/trade/>

Peoples Global Action

<http://www.nadir.org/nadir/initiativ/agp/en/index.html>

Quest 2025 and go to GATS campaign pages

<http://members.dodo.net.au/rlsanders/index.htm>

The Corner House

<http://www.thecornerhouse.org.uk/>

TomPaine

<http://www.tompaine.com/>

WTOWatch Trade Observatory

www.tradeobservatory.org/

Trade Observatory News Page

<http://www.tradeobservatory.org/news/index.cfm>

WTO website

<http://www.wto.org/>

Znet

<http://www.zmag.org/weluser.htm>

The US Experience

Bernie Sanders from Vermont, the only independent US congressman, recently expressed outrage that Maytag Corp. will shut down production at its refrigerator factory in Galesburg, Illinois and lay off the plant's 1,600 workers by late 2004.

Maytag is using the North America Free Trade Agreement, which I opposed, to move its plant to Mexico. In Mexico it will be able to hire workers at \$2 an hour, rather than pay the average wage of \$15.14 earned by workers in Galesburg. And the Newton, Iowa, appliance manufacturer is closing its Illinois plant despite recent concessions from the union and substantial sums of corporate welfare given it by city, county and state governments.

The same thing is happening in many regions of the USA. In Vermont, in recent years, as a result of such disastrous trade policies as NAFTA, most-favoured-nation status with China and permanent normal trade relations with China and other trade agreements, we have lost thousands of decent paying jobs in Shaftsbury, Newport, St. Johnsbury, East Ryegate, Island Pond, Randolph, Orleans, Bennington, Springfield and Windsor- among other communities.

The simple truth is that our nation's manufacturing base is collapsing.

As unemployment rises, more and more Americans are searching for non-existent jobs. In the past two years we have lost just under 1.8 million factory jobs nationwide, according to the Bureau of Labor Statistics, and, at 16.5 million, we now have the lowest number of factory jobs in 40 years.

As the U.S. produces less and imports more, we have developed a huge trade deficit of more than \$400 billion, including an \$80 billion trade deficit with China. Millions of Americans are working longer hours for lower wages, many of them at part-time or temporary jobs with minimal benefits. And yet, despite all of this, President Bush, almost all Republicans and many Democrats in Congress continue to spout the corporate line about how wonderful unfettered "free trade" is. And the establishment media continue, in editorial after editorial, to repeat that big lie.

The simple truth is that American workers cannot, and should not, be "competing" against desperate workers in developing countries who are forced to work for pennies an hour. This is creating a horrendous "race to the bottom."

Aaron Kemp is a Maytag worker in Galesburg. He expressed a lot more understanding of our current trade policies than most member of Congress when he told a reporter; "This is heartbreaking. This is one of the most unpatriotic, most un-American things I can imagine a company doing. They want Americans to buy their products, but they don't want to put Americans to work making those products."

Clearly, we need fundamental changes in our trade policies. If the American economy is going to survive, if our workers are to earn a living wage, corporations are going to have to start reinvesting in the United States.

"Free Trade" is a trade policy that is destroying our economy.

If the U.S. is going to survive as a great economic power, we must rebuild our manufacturing base and create jobs that pay workers a living wage with decent benefits.

Rep. Bernie Sanders (I-Vt.) is the only independent congressman in the House

<http://www.chicagotribune.com/news/opinion/oped/chi-0212310234dec31,1,6985765.story>

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Kevin Danaher, a founding director of Global Exchange (<http://www.globalexchange.org/>) an international human rights group based in San Francisco, believes that free trade as practised by US corporations and as will be embodied in any Free Trade Agreement, subordinates life to commerce - life values to money values.

Money values are values of corporations - particularly the big ones, because they dominate - and life values are human rights and the environment.

Look at all the jobs going to China. The US now imports more computer equipment and electronics from China than China buys from the United States. But it's not about China. It's about Compaq and Intel and Hewlett-Packard, all these companies that moved their factories.

Wal-Mart's main buying centre is in China.

Just bracket Canada for a moment and take the U.S.- Mexico relationship. Did the Mexican people benefit from NAFTA? Shit no! The majority of people are getting a lower wage now than they were before. Their environment is wrecked, that whole northern industrial section along the border is a disaster. There are more people dying crossing the U.S.-Mexico border than died crossing the Berlin Wall under communism. That was a huge human rights violation but nobody says anything about all these people dying crossing the U.S.- Mexico border because of that stupid fence.

What's at stake, is democracy, is government itself. George W Bush doesn't believe in government. He believes in the privatization of everything, except for those parts of the government like the Treasury, Foreign Affairs and the Reserve Bank, things that facilitate capital accumulation.

Parliamentarians in Quito Denounce the FTAA (Published: 31-Oct-02)

HEMISPHERIC CONFERENCE OF PARLIAMENTARIANS: THE FTAA AND THE ROLE OF NATIONAL PARLIAMENTS IN THE REGION

We Parliamentarians of Mexico, Uruguay, Costa Rica, Bolivia, Nicaragua, Ecuador, El Salvador, Venezuela, Peru, Colombia and Quebec, meeting in Quito October 29-30, 2002, during the "Hemispheric Conference on FTAA and the Role of National Parliaments" issue the following declaration before the Seventh Ministerial Conference for the Negotiation of a Free Trade Area of the Americas (FTAA), based on the following considerations:

First, as delegates and representatives of democratic states, we have the inalienable responsibility to legislate on behalf of the general welfare and therefore to improve the quality of life for our nations' communities.

Second, That, in spite of the fact that democratic and sovereign states can only exist and survive with an appropriate system of public information and citizen participation and with a strong legislative body, the citizens of our countries and our Parliaments have not been recognised by those who are negotiating the FTAA. The draft texts of the FTAA have been produced in a secretive manner: in closed sessions based on an arbitrary schedule, and restricted access to incomplete documentation.

Third, That whatever agreement on "free trade" is a political decision that affects decisively the living conditions of our citizens, as well as their democratic rights and, therefore, it should be widely known, analysed, debated and passed by the national Parliaments and approved by the citizens as a whole.

Fourth, That the great powers have control over the development of science and technology, markets, industry, commerce, finance, agriculture and services, to which they grant subsidies to their own production creating conditions with which Latin American countries are not able to compete.

Fifth, That the formula of "free trade" promoted under the FTAA establishes policies that will open markets indiscriminately -- destroying industrial and agricultural production, eliminating the rights of workers, undermining consumer protection, increasing public debt and endangering the conservation of economic and natural resources.

Sixth, That the FTAA as it has been conceived will reinforce structural adjustment and the privatisation of essential public services such as water, social security, education, electricity and communications, transforming citizens into customers and clients of transnational corporations.

Seventh, That the FTAA is intended to consolidate control over strategic resources such as oil, water, biodiversity and traditional knowledge, through patents and intellectual property rights among other mechanisms, in the hands of transnational corporations -- primarily in the interests of one unique power: the United States, which seeks to capture for these companies a market of 800 million consumers and centralise the regular flow of resources from the southern reaches of the continent towards its own territory.

Eighth, That other initiatives promoted by the United States such as the World Trade Organisation, the North American Free Trade Agreement, the Plan Puebla-Panama, and the road to the FTAA are designed to sustain the hegemony of this country to the detriment of our own peoples' development. Ninth, That the deadline for completing the negotiation of the FTAA and its entry into force in 2005 is not acceptable, since it would require countries to adapt their legal, economic and political procedures, sacrifice their national agendas, and violate the democratic rights of the citizens of Latin America and the Caribbean who clamour for social change, justice and dignity.

AS ELECTED REPRESENTATIVES, WE ARE CONSCIOUS OF OUR RESPONSIBILITY TO THE PUBLIC REGARDING THE FTAA, AND THEREFORE WE DECLARE OUR INTENTION:

First, To invite national Parliaments, as the representatives of the American peoples, to discuss and decide all of the international commercial agreements, as far as these may affect democracy and the living conditions of all the citizens of the Continent, and to establish national agendas regarding regional integration. To this effect, we suggest that where they do not now exist, special parliamentary commissions should be established to develop such agendas for the FTAA and other like agreements for commercial integration.

Second, To proceed as a first step in such discussions with an evaluation of the processes and results of current international agreements such as the NAFTA, WTO, Plan Puebla-Panama and others.

Third, to make proposals for the integration of our peoples that will respect their dignity and rights to self-determination. Any process of integration must be equitable and sustainable, and must satisfy the needs of the 70% of our population that presently live in extreme poverty. It must also alter the terms of trade: 70% of our exports now consist of natural resources and primary goods.

Fourth, to commit ourselves to the broad distribution of the draft texts of the negotiations, clearly identifying which countries have presented or support each proposal, and to seek an end to the secretiveness that now characterises these negotiations.

Fifth, To elicit the broadest possible national consensus among the business community, indigenous peoples, farmers, workers, and the general public in order to support our domestic markets as the foundation for development in each nation.

Sixth, To request of our Parliamentary leaders that they establish a special Commission to open the continental debate and monitor every negotiation for free trade in order to ensure citizen participation, in conformance with our mandate as public representatives.

Seventh, To reject the FTAA itself and exhort our governments to withdraw their delegations from the current round of negotiations, striving instead to strengthen the agreements and bodies of integration in Latin America and the Caribbean, such as the Andean Community of Nations (CAN), the Market of the Southern Cone (MERCOSUR), and the Commercial Zone of the Caribbean (CARICOM), among others.

Eighth, Finally, to express our appreciation to the Honourable National Congress of Ecuador and the Institute for Ecological Studies of the Third World, who have offered their distinguished and effective support for this parliamentary conference, contributing greatly to its success.

Another form of integration is possible! Finalised in Quito, October 30, 2002

Signed by: Participating Parliamentarians of 14 nations and Dr. Antonio Posso Salgado, President Dr. Andres Aguilar M., Secretary Honorable National Congress of Ecuador

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