

Submission to the Senate Select
Committee on the USFTA

Mr Brenton Holmes/Ms Tanya Stacpoole

Dear Mr Holmes, Ms Stacpoole

Below is a submission to the Senate Select Committee on the USFTA (The Committee shall examine impacts of the agreement on Australia's economic, trade, investment and social and environment policies, including, but not limited to, agriculture, health, education and the media.)

SUMMARY.

The proposed FTA is against Australian advantage and independence Problems with the USFTA should be solved absolutely clearly before there is any submission to it, and times set when review and revision are possible.

There are many risks. One of the greatest is to Australian industries and employment

PREAMBLE: In our Australian-owned supermarket, it can be hard to find Australian-owned-company products on the shelves because overseas-owned companies exercise their power to ensure they have the prominent places. The supermarket claims it is helpless to change this; if it tries, it will be penalised. We cannot ensure 'market access and non-discriminatory treatment' for Australian products even in our own country. I have asked several Australian supermarkets that occasionally have had promotions for imports such as Dutch or Spanish if they could have a promotion for Australian-owned products. When I have had a reply it has been that they dare not, for fear of losing discounts, etc. from the multinationals and foreign-owned companies.

Australians are keen to buy American products but Americans are keen to buy their own American products There are already many burned Australian fingers in attempting expansion opportunities in USA, some suffered by powerful Australia companies. How can Australia imagine our products will get an easy chance in USA, once tariffs are modified?

2. THE SERIOUS QUESTION: WHAT WILL HAPPEN TO AUSTRALIA'S INDUSTRIES when the Free Trade Agreement gives the green light for even more of them to be taken over by US firms and closed down or shifted offshore? The Foreign Investment Review Board is to lose all its powers to control this except for the big firms.

3. THERE WILL BE FINANCIALLY CRIPPLING LAW SUITS when US firms contest any government attempts to maintain national independence in industries, services, media, pharmaceuticals, quarantine, and seriously, in taxation. Our laws permit this litigation.

4. AMERICANS IN AMERICA ARE HERALDING HOW THE FTA WILL BENEFIT THE USA by preventing Australian resistance in areas such as:

Media control and production

Pharmaceutical benefits and other government means of promoting equity and social welfare

Ownership of intellectual property, and changes to Australian copyright laws.

5. NATIONAL DEFENCE and INDEPENDENCE. Our independence and security as a nation requires us to have enough industries of our own to have some degree of economic independence, and worth-while jobs for all.

To have a degree of manufacturing self-sustainability should be an important part of our defence policy. Without Essington Lewis and other far-seeing businessmen and producers (and unions too), Australia would have been in a bad way during World War II, unable to help itself

6. THE INDUSTRIES THAT SHOULD REMAIN UNDER AUSTRALIAN CONTROL INCLUDE WATER, PROPERTY, TELECOMMUNICATIONS, TRANSPORT (AIR, LAND AND SEA), FOOD, FORESTRY, HEALTH AND EDUCATION - ALL UNDER THREAT.

7. Heavy and light industry should not be at such great risk of take-over or destruction by import flooding.

8. LATER REVISION OF THE TREATY.

I wrote to the Minister for Trade, the Hon. Mark Vaile asking if there can be any revision later if the FTA proves disastrous to our interests, or whether there are any time-limits after which there can be any revision. His reply did not answer the questions. His reply included indications of helplessness such as not compromising 'the right to examine significant foreign investment proposals . .' not mentioning that examination is not the same as being able to prevent them.

9. REDUCING AUSTRALIAN SOURCES OF PROFITS AND EMPLOYMENT. The Deputy Premier of Victoria, Mr John Thwaites, recently declared that Victoria's economic prosperity depends upon its building industry. Ask why. Because that is the only production industry that may not be almost completely taken over by imports. Even then, ownership and profits from that industry can transfer overseas under the FTA.

10. WHY SUBMIT TO THE FTA DEAL? Our foreign debt to the United States may be part of the reason why Mr Howard seems so easily blackmailed into agreeing to terms that in the USA are being heralded as won to advance US interests at the cost of Australian. Yet our foreign debt will only get worse if the door is opened to even more imports and foreign ownership.

11. USA IS NOT A WIDE-OPEN MARKET EVEN WITH NO TARIFFS. Just because the USA has the biggest consumption of any other nation does not mean that it can be a wide-open market for outsiders if tariffs go down. The US dollar signs in our negotiators' eyes did not help their vision. Australians readily buy US products but the United States already has everything it wants except oil and some mineral resources. It has more food than it can eat. Selling Australian products except raw materials can be difficult and often risky, even if they are innovations. USA has also an enormous foreign debt, which it does not want to increase. Its huge military spending is weakening its might. The United States' has a history of assertive colonising and 'free trade' that should warn us. They want 'freedom to' and we need 'freedom from'.

12. PREFERABLE TRADING PARTNERS. There are other countries in the world including in Asia that do not produce the sort of products that we can export, .

There are other countries in the world that need our exports. There are other countries in the world that would buy our exports value-added by Australian manufacture, not just raw materials.

13. FOREIGN INVESTMENT IN AUSTRALIA THAT IS NOT TO OUR ADVANTAGE The American investment that the government seeks to attract will not be to our long-term advantage. The short term profits are for a few - from raised property values and share prices as property is sold to US interests, and from profits in selling off Australian businesses. The history of recent foreign investment in Australian-made production is not that good.

We should be forcing the banks to encourage Australian savings for capital rather than borrowing abroad. We should not be encouraging potential sources of Australian capital to be wasted in gambling and in unproductive property investment.

14. WHAT HAPPENS IF THE FTA RESULTS IN LOSING AUSTRALIAN INDUSTRIES, PROPERTY AND MEDIA AND GOVERNMENT CONTROL OF OUR NATIONAL INDEPENDENCE?

How will Australia be able to support the growth in unemployment? What sort of third-world country will we become? How can we cope with our foreign debt ballooning further with increased US imports and ownerships?

(My US correspondents also warn of what happens to government finances when their states' compete by lowering essential taxes to bribe US industries to come or to stay, or they are forced by vested interests to do so.)

Read the fine print. Look at what our chief negotiator, Mr Sheedy, has said. (Recently on Radio National he sounded like putty).

15. IF THERE IS ANY NATIONAL REASON WHY WE CANNOT RESIST THE FTA this should be made public. If not, a few powerful lobby groups should not have the power to force its acceptance.

It is a matter of concern that the major debates in the media and pronouncements by politicians have been mainly in response to particular sectional interests, with little attention paid to the critical question of giving away too much power to be able to have any control over our economic situation and policies.

Yours sincerely

Dr Valerie Yule,