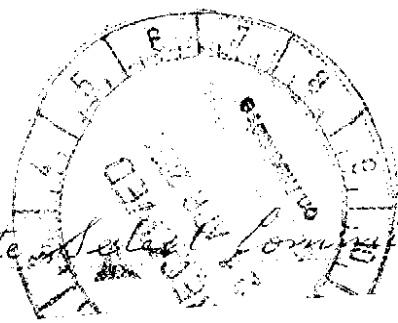


Submission to Senate Select Committee on
the USFTA



17.

The price Australia would have to pay for the right, under the above agreement, to sell agricultural produce to the US free of import tariffs and quotas, is of such a nature and so far reaching in its implications for Australian sovereignty that on no account should the agreement be ratified.

The benefit to Australia of the agreement is, reduced by the exclusion, therefrom, of the US import of sugar and acceptance by Australia of the phasing out of beef and dairy tariffs over 18 years.

On the other hand, the Trade Agreement opens the way for the US to seek to change many aspects of Australian social and economic policies not now in operation in the US.

Examples of these are:

- 1) Changes to the Pharmaceutical Benefits Scheme process to allow US drug companies to seek reviews of PBS decisions to allow higher prices for drugs to be listed and for price rises after drugs are listed.
- 2) Extension of the period for which copyright payments must be made from 50 years after the death of the author to 70 years in line with US law. This will be costly for libraries and educational bodies.
- 3) All of Australia's laws and policies on investment and services at all levels of government are affected by the agreement unless they are listed as reservations. While certain reservations are listed in the agreement the fact that Australia's laws and policies are made subject to the agreement at all is an ^{un}warranted interference in Australia's internal affairs.
- 4) US investment in Australia must be given "national

"treatment" i.e. it must be treated in the same as local investment. It is essential that the Government retain control over foreign investment, at least to the extent that now applies

5) . Services under the agreement include health, education, water, postal, energy and environmental services. The agreement applies to all levels of government, federal, state and local and Australia must treat US companies seeking to take over local services as if they were Australian companies. Some services may be specifically excluded but water, energy and public broadcasting services are not excluded and are, therefore, included in the agreement

In the case of the latter services the way is open under the agreement for US companies to obtain control and operate them on a commercial basis

6) Joint committees of Australian and US representatives are to be established which will give the US direct input into Australian laws and policies on quarantine and technical standards, including the labelling of GE foods. The objective of US representatives on these committees would be to facilitate US trade with Australia and trade obligations with the US would be high on the list of priorities when regulations were being made

Australian quarantine regulations should be made on a scientific basis in the interests of Australia and not as part of a trade dialogue with a much more powerful country. The promotion of trade and the quarantine protection of Australia's environment, crops and livestock are separate roles which should not be combined

Having regard to the above I reiterate that in my view the proposed Australia US free trade agreement should not be ratified.

J. Short
18.4.04