Submission to the Senate Committee inquiry on the FTA between Australia and the USA

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1. Introduction

I offer a broad view of what seems to be really going on, whether the players are consciously aware of it or not. This amounts to a certain awful predictability — a fateful response to unpleasant realities which are already unfolding. I would invite an investigation into possible better responses, and meanwhile urge that Australia avoids falling into the trap of an *inevitably-unequal treaty* with any superpower — even if that superpower has current benign intentions (though that is debatable).

In particular, I deplore the prospect of Hollywood's increasing grip on our media — selling our birthright for "a mess of pottage".

2. A Wider View — the World Economic Context

All is not well with the world economic system, and that is ultimately behind most of the major political problems. The present system depends on growth to yield employment and hence some semblance of equality. But there are two ceilings which must ultimately stifle growth overall; and until this dilemma is solved, anything else (like the present proposal) is just papering over the cracks.

Two ceilings — ultimate destroyers of the status quo

Either one of these would ultimately suffice to upset the present order:

The "green ceiling" — including oil matters

It is now well known that there are "green" constraints on growth possibilities, whether we like it or not: resources (notably oil, and water) on one hand, and pollution etc. on the other. Such ceilings can lead to desparate measures by governements — even the USA.

The employment "red ceiling" — including warlike activity

Displacement of workers by machines, and the tendency for markets to dwindle whenever consumers come to resist existing products and sevices (often due to their own poverty) — both lead to unemployment (and hence inequality in employment). When taken to extremes this predictably leads to violence — as revolution &/or terrorism &/or genocide, either internationally or internally.

War etc., when such ceilings are breached

At a more formal level, it leads to war — which, viewed economically, amounts to (i) a destruction of present "stock", (ii) a new market for goods and sevices including military service, and (iii) a culling of the labour market!! That had a lot to do with WW1 and WW2, and one might consider it as a possible partial-motive for more recent wars (whether consciously formulated or not).

Re-examining such breakdown-dynamics

An oversimplified forecast about events when ceiling is reached

One could naively suppose that all could appear normal until, suddenly, one of the ceiling conditions is hit, and then every one would suffer equally. But of course, life is not like that:

The reality — Power-wielders do "whatever it takes"

Those with power will obviously seek to maintain their situation within their own domain (whatever they perceive that to be). They will fight to maintain employment locally — but conveniently forget that this may mean unemployment and abject poverty elsewhere (given the present world system). Moreover they may well remain totally ignorant of such consequences, and they wonder why they are hated.

This should serve as a warning against carelessly entering into agreements with them — since such agreements are likely to be belittled in the future when the going gets tougher, even if their intention was initially benign. Moreover, one cannot count on benignness: I am painfully aware of litigation between a small firm and Power-wielding Large firm. The latter ended up spending much more on legal expenses than the case was worth —— just for spite? — or as a scare tactic?
Do we really believe that a super-power would never do that to us??

That reality is with us now

Need I say more? Maybe it does not yet apply to us, but just look around the world.

Not just USA, but whoever happens to be powerful, given a competitive environment

No point in disparaging America as such. It is just doing what any superpower would do under the present system, given the circumstances of its lobby groups and political financing. No point in blaming a shark either — but do we really need to swim in the same water *without a safeguard barrier?* Yet the proposed treaty seems to *remove* such a safety-barrier.

3. Alternatives? (Briefly)

This is not the place to push any other particular agenda, but I would urge that solutions like (3) and (4) are worthy of serious investigation. Any policy which fails to address both the **ceiling issues**, and the need for a reasonable degree of worldwide **fairness** is surely heading for trouble in the long run. Policies (1) and (2) both seem likely to fail that test — and it is (2) which is associated with the FTA proposal!

(1) Overt dictatorships

Ultimately unworkable, and probably inevitably unfair — even if well-intended at first. (E.g. see W.Stafford Beer's *Massey Lecture*, Canadian Broadcasting Corporation).

(2) Market-forces — under a superpower (as now)

Partly discussed already. Moreover it is likely to end up as a *de facto* dictatorship by whatever oligarchy has a mutually consistent agenda — **and longterm control of the media**. Indeed it is this latter point which is one of the most worrying aspects of the proposed treaty.

(3) Market-&-herd (among almost-equals) — the EU?

The EU model does seem promising (at least in theory), but it would ultimately need to be worldwide — and meanwhile any existing superpower would have to be tamed!!

(4) Rational equitable policy (among almost-equals) — the EU or other federations?

Like (3), but with more rational control over market forces (without overdoing it). Federations can often work reasonably well within themselves: Germany, Australia, and even the USA itself.

Need Stability — and hence the need for a <u>pluralistic World View</u>

I shall not elaborate this point here; but I offer it as a topic for discussion.

4. The fateful "inevitable Greek Tragedy" when a superpower is under stress

When the customary mechanisms of life start to fail, and when one has no known access to the real causes — then what can one do but struggle to survive? And if that means oppressing the most helpless, then I fear that this is just what will happen — especially if they are out of sight ("down there in Harlem, or Afghanistan, *or even Australia*")!

The fate of minor players — Harlem, or Afghanistan, etc.

Short shrift! Often with results of violence, blackmail, corruption, coercion and other vices. All more-or-less predictable — and inevitable given the imposed circumstances. And of course that is then conducive to war and insurrection.

Middle-players like Australia?

Buckingham: My lord, I claim the gift, my due by promise,
For which your honour and your faith is pawned:
The earldom of Hereford … …
Richard III: …
I am not in the giving vein today.

5. The specific case of our surrender of media control

Litigation against a superpower!

As mentioned in the 3rd-last paragraph of Section 2, legal wins are often only for those with the deepest pockets. The proposed "safeguards" for Australian media seem shaky at best, and often left at the whim of US authorities — after "consultation"! That hardly seems comforting! Indeed it rather looks like selling our birthright.

Of course the situation might be different if we were of roughly equal power — as in the EU. But that is clearly not the case!

6. Conclusion

I urge that the treaty be rejected — and indeed that we should be exceedingly circumspect about any treaty between such unequal parties. Such a commitment would be "putting our head in the noose".

By its very nature, the **media case** is difficult to argue in concrete bureaucratic terms, but that does not make it any less important. Such provisions are likely to severely hamper our cultural integrity in the long run (a point well understood by the French), and I strongly oppose such a Faustian pact.

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