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Senate Select Committee on the Free Trade Agreement
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To whom it may concern

I hereby enclose a submission as a private citizen on the free trade agreement recently signed by Australia and the USA.

Yours sincerely

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(enclosed)

Free Trade agreement between Australia and the USA?

While the world has been engrossed with terrorism and the recent conflict in Iraq, Australia has quietly pursued a free trade agreement with the USA. The agreement has been signed recently, but the necessary legislation has not been enacted yet. There is still hope that it can be properly checked first. Indeed, there are a lot of nagging concerns that should make us very wary of this trade deal.

Why should we worry about this agreement? It is obvious to all that the US economy is so much bigger than our own economy in Australia that American businesses could easily overwhelm local businesses in all sorts of ways. The scale of US business is vast beyond most people's imagination. It is hard to see how local business could compete with such large companies from overseas and still survive.

US companies want our Pharmaceutical Benefits Scheme to be scrapped. However, this is likely to cause our medicines to nearly double in price, and even more in the case of pensioners and unemployed people. Also the US position is that we should not have the option to choose between traditional and GM foods on the basis of what the labels say. Indeed there is serious disagreement between the USA and the EU on the marketing and labeling of GM foods. Concerns still exist about the long-term safety of GM foods.

Suppose that Americans were free to outbid Australians on Australian property. Just ask the Irish about the effect of the European Union on Irish property prices. Rents go up hand in hand with the price.

The risks of this trade deal are not limited to the state of the poor. Many Australians employed in local industries will probably lose their jobs. After that they will have great difficulty in finding new jobs. Local industries provide work for local people, reduce the need to import goods from overseas and tend to reduce our enormous foreign debt (currently over \$250 billion).

Interestingly enough, the USA has a very large foreign debt (nearly \$5 trillion). This would be enough to put pressure on the US economy but Australians don't need to become enmeshed in those problems. So why should we implement the legislation demanded by this so-called "free" trade deal? Already, our Government has admitted that the "benefits" will be less than the modest \$4 billion that was promised only a few months ago.

There remains the question about tribunals to oversee disputes arising from this agreement. Under NAFTA, these tribunals meet in secret and are not accountable to outside bodies. We need only recall the case where Ethyl Corporation won a huge amount of compensation (over \$US250 million) because Canada wanted to ban MMT from petrol. Could a similar case happen here?

Only a generation ago, Australia was nearly self-sufficient. Now we are rapidly losing what little control we still have over this country's resources. Unfortunately our leaders have shown little interest in the public good. Rather, our leaders have bought the idea that governments should get out of the way of market forces in the name of "efficiency". They see efficiency as an end in itself.

In conclusion, there is no need for Parliament to go ahead with the legislation that is sought under the terms of the recently signed trade agreement with the USA. Indeed, Parliament should emphatically reject the deal.