

27th Nov, 2004.

The Secretary,
Senate Select Committee on the Free Trade Agreement
between Australia and the United States of America,
Suite S31.30.1.
The Senate,
Parliament House,
CANBERRA. A.C.T. 2600.

Fax:

4 Pages.

Dear Sir,

We are totally opposed to the Free Trade Agreement between Australia and the United States believing it will be of little or no benefit to Australia. We understand the Australian negotiators advised the Government to reject the USFTA, but our politicians were determined it would go ahead and so it became politically expedient to do so.

As cattle producers we believe that what the rural community needs is elimination of subsidies, not a free (?) trade agreement.

1. Australians should be extremely concerned if the U.S. is happy to ratify this agreement as it would indicate the greater benefit is for the U.S. to the detriment of Australia, which is the case.

2. We are concerned that there is an opportunity for the U.S. Government and corporations to challenge our laws or policies if they believe these prevent them from getting benefits expected under this agreement. e.g. Just recently some of our State Governments restricted for a period of time trials of genetically engineered ^{CANDY A} - if this period is extended, does this mean the U.S. Government and or Monsanto can challenge us? Particularly when we read the U.S. was to take the European ^{UNION} to the WTO to force it to accept genetically engineered products.

Australians want their food products labelled, but it appears that under this agreement, labelling could be challenged. It seems, therefore, that we could become

controlled by U.S. laws.

It appears also, that any disputes panel can declare the law should be changed or compensation paid and this dispute may not come under public scrutiny, nor can it be appealed.

3. On the enforcement of this agreement U.S. manufacturers have immediate access to Australia. This agreement could destroy our manufacturing industry. It would appear that the US estimates additional exports from them of more than \$2. billion dollars.

We have a small export car industry to the US, but this would be overshadowed by import of cars such as Mercedes and others, particularly if it was felt that there could be a great increase by building right hand drive cars.

An Australian company is denied access of its fast ferries to the U.S. by the Jones Act? Will a challenge by us be successful?

This agreement opens so many opportunities for the U.S. and so few for Australia. The US will not be forced to buy from ^{US.}

4. As cattle producers we are disgusted with regard to the increase of hamburger beef we shall be able to export to the U.S. It is laughable. The quota increase will only take place when the US beef exports return to a certain level and after this is reached, our exports will be phased in over an 18 year period. Also, a price based safeguard will be available - little joy here.

Other agricultural industries such as dairy and lamb will see a small increase.

Very few agricultural industries will get any benefit.

5. Despite Mr. Howard's assurances to the contrary, there seems to be little doubt that our P.B.S. scheme is in danger. Following the agreement, Australian and US working groups and Administrations will be working to-gether which is why ^{WHILE} there may be no immediate change to the pricing, this will not be the case in the future as these groups will be acting on commercial principles. Former members of the Pharmaceutical Benefits Advisory Committee and a drug pricing expert both

agree the Australian pricing model will be broken.

Why are U.S. citizens going to Canada to get drugs?
Because they are so much cheaper than in the U.S.
Australians will not have this option once our drugs
increase in price.

6. This Agreement gives US suppliers the right to bid on
Australian Government contracts. To date Australia is
not a party to the WTO Agreement on Government Procurement.
The USFTA will give US suppliers the opportunity to supply
both central and sub-central entities with items from paper
to cars and far, far more. What a disgrace for the
people of Australia.

7. The Australian Quarantine Service which has served our
country so well appears to gradually being whittled away
and will be more so under this agreement. Trade and
Protection of our Australian agricultural products should
be seen as two entirely different matters. This protection
gives our products the vital "clean, green" image which
makes them so sought after;

Two committees have been established, however both are
dealing with facilitating of trade, but it is scientific
matters which should be discussed here, not trade.

8. The US has been given substantial market access to our
service regimes such as postal delivered, telecommunications,
financial services, and most importantly, water and energy.
Water should be sacrosanct. The US also will have the right
to challenge our environmental laws.

9. The US says the agreement "contains important and
unprecedented provisions to improve market for US films and
T.V. programmes over a variety of media including cable,
satellite and the internet". This will no doubt bring
about the demise of our industry.

10. Unlike 20/30 years ago the FIRB does very little to
block investments. The lifting of investments on established
businesses will now rise from \$50. million to \$800 Million
whilst new business will now not be reviewed. What are we
going to do when we have no businesses to sell? Of great

concern is the fact that Japan and other countries will expect similar treatment.

This agreement will see more money going out of Australia by way of dividends, interest, transfer pricing, technical aid fees and management fees.

The amount of investment being made in the U.S. by Australia is very small by comparison. to the US here.

Both Australia and the U.S. claim that this agreement is of the greatest benefit to each of them, but there is little doubt that the clear winner is the U.S. We have read at the present time the U.S. has a trade surplus with Australia of between \$9. and \$12. billion dollars. This will increase greatly under this Agreement.

Another major concern is the fact that nearly ^{every} ~~section~~ sector can be challenged by the U.S.

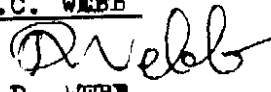
Unfortunately we have run out of time to comment on other clauses which we feel will be detrimental to Australia.

We hope you will vote against the introduction of this Agreement, which we feel will be a disaster for our wonderful country. and which ^{should} ~~never~~ have been contemplated in the first instance.

Yours faithfully,

L.M. & P.C. WEBB

Per:



P. WEBB

(Partner)