

AFTINET Bulletin No. 19, 4 June 2001

If you would like to contribute material to the bulletin, please contact Pat Ranald by email at pranald@piac.asn.au. Our website is www.aftinet.org.au.

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1) DFAT WTO Consultations Sydney 28 June and Melbourne 5 July

Sydney: Thurs, June 28, 10 am –12 noon, Venue to be notified.

Melbourne: Thurs, July 5, 10 am –12 noon, Venue to be notified.

The suggested agenda is

- update on preparations for the Ministerial Meeting in Doha, Qatar in November
- trade and development
- trade and environment
- trade and labour
- mandated negotiations (agriculture and services)
- New issues- investment, government procurement, competition policy

If you wish to attend this consultation, please notify Sonja Weinberg by June 25 for Sydney or July 2 for Melbourne. Please also notify her if you have other topics for the agenda. Her email is sonja.weinberg@dfat.gov.au

AFTINET will circulate the information about the venues when we receive it.

2) DFAT submissions deadline on WTO extended until August 1.

Our last Bulletin had a reminder about the call for submissions to DFAT on the WTO. The deadline has now been extended to August 1. A draft set of points for AFTINET members' submissions will now be circulated for comment at the end of June .

These will be based on our submission to the parliamentary Inquiry and will cover general issues. Many organisations will make more detailed submissions on special areas of interest to them. It is important that many submissions go in: please consider making a submission, however brief.

DFAT has identified the following issues:

- Agenda for future multilateral trade negotiations, including the subject matter, content and timetable for negotiations, or other further work in the WTO;
- Desirability for Australia's interests of including in the WTO's negotiating agenda new issues such as trade and investment; trade and competition policy; trade and environment; transparency in government procurement; electronic commerce; industrial market access and WTO institutional issues

- Broader range of issues which Australia might propose for inclusion in the WTO agenda for further work; and
- Operation and the effect on Australia's national interest of existing WTO Agreements.

Submissions should be sent by mail fax or email by July 1 to:

Trade Policy Section

Trade Negotiations Division

Department of Foreign Affairs and Trade

R G Casey Building

BARTON ACT 0221

Facsimile 02 / 6261 3514

E-mail address trade.consult@dfat.gov.au (Microsoft Word compatible format).

3) US Corporations push Aust-US Free Trade Agreement

The article below reveals that the proposed US-Australia Free Trade Agreement is being driven by US corporate interests. In another article on the same day, Peter Hartcher wrote of the US push for bilateral Free trade Agreements:

“ Australia would be but one of the competitors vying to hold the attention and favour of the superpower. There would be pressure to stay in the game by yielding to US positions”

As revealed in previous bulletins, US demands have included removing the few remaining controls on foreign investment, removing Australian content rules for film and television and reducing quarantine restrictions. Please email or send the letter below if you have not already done so.

US giants push for Australian trade pact

Australian Financial Review Jun 1 Peter Hartcher in Washington

A coalition of major US corporations will lobby Congress to negotiate a free-trade agreement with Australia, in an important boost to the Howard Government's push to secure support for a ground breaking trade deal.

A broad spectrum of more than 20 multinationals recently gathered for the group's inaugural meeting in Washington DC and agreed to press the Bush Administration and Congress to begin negotiations.

"It's a high-quality group of the key members of the free-trade community," said one of the members, Mr Bill Lane of the heavy-equipment maker Caterpillar.

"I think we can make it wash - that's our job."

Others at the first meeting included the aircraft and aerospace manufacturer Boeing Corporation, the giant agricultural commodity trader Cargill, Citibank, Ford, communications equipment firm Motorola, and the world leader in oil services, Halliburton Inc, until last year run by the US Vice-President, Mr Dick Cheney.

In addition to 21 US companies, Japan-based Mitsubishi Motors and Australia's Telstra were represented.

The campaign carries added credibility because its convenor is the Wexler Group, the public policy consultancy which organised the crucial US business coalitions for several landmark trade agreements, including the North American Free Trade Agreement (NAFTA).

"We have two aims," said the firm's principal, Ms Anne Wexler. "We want to get Australia into the queue" of countries seeking free-trade agreements. "And we want to make sure John Howard gets enough support when he's here."

Ms Wexler said 45 corporations had so far signalled interest in joining, "and before Howard comes, we will have 100 companies".

The Prime Minister had been seeking to visit for meetings with the Bush Administration in June or July, but his trip now seems likely to be delayed until later in the year.

Ms Wexler added that the Australian Ambassador to the US had been instrumental in soliciting the support of US corporations: "It's happened because Michael Thawley has spent a great deal of time talking to American companies. It's that simple."

The US Trade Representative, Mr Bob Zoellick, weighing a list of trade priorities, has not yet decided whether to commit the Bush Administration to negotiations with Australia. And if he does, the administration would still need congressional endorsement.

The US companies in the pro-Australia coalition seek a combination of specific outcomes and broader benefits. An executive at a major auto company said, for instance, that Australian car tariffs would have to come down as "a fundamental condition" of his firm's support for any agreement. Boeing's vice-president for international policy, Mr Ted Austell, said that "Boeing is a beneficiary of the more liberal movement of people and services wherever it occurs".

Motorola's director of international trade relations, Mr Rich Brecher, said "it's a helpful idea insofar as it's a model for bilateral and regional agreements - I'm thinking of ASEAN (Association of South-East Asian Nations) and APEC (Asia-Pacific Economic Co-operation group) where some competitive liberalisation would be helpful."

He said although Motorola would prefer market-opening to be done on a global basis through the World Trade Organisation, "companies are looking at second-best alternatives because WTO is such a go-slow at the moment".

Caterpillar's Mr Lane said the coalition would make three key arguments for a free-trade agreement with Australia: First, the US would export more through direct concessions - "we will sell more equipment in Australia, which is one of our largest export markets" - and also because the Australian economy would grow faster under the stimulus of freer trade, thereby becoming an even better export prospect.

Second: "We would get the benefit of better consumer access to Australian products - like Australian wine - and imports improve our standard of living." And third: "It's about global leadership."

The Australian Government would like to be able to have Mr Howard announce agreement to open negotiations when he travels to Washington.

Letter to the Minister-please send

The Hon. Mark Vaile MP
Minister for Trade
Parliament House, Canberra
Mark.Vaile.MP@aph.gov.au

Dear Mr Vaile

I write to express grave concern that you have begun talks on a US- Australia Free Trade Agreement with little public debate or community consultation.

I am concerned that such a bilateral trade negotiation places Australia in a very weak bargaining position given the relative sizes of the US and Australian economies.

I am alarmed at your comments reported in the Sydney Morning Herald of April 4 that Australia's local content rules in film and television, quarantine rules, and foreign investment rules are all seen as US targets in the negotiations, and that Australia would not ask for any prior exclusions at the start of the talks.

The local content rules are a vital pillar of Australia's cultural identity which ensures that Australian stories are told on film and television. These rules ensure a local skills base which enables quality films and television programs to be made here.

How can we contemplate reducing quarantine rules in the wake of the Mad Cow and Foot and Mouth disease scares? Australia has investment restrictions only on a few strategic industries like the media, banking ,telecommunications and airlines. If these were to go, all of these industries would be vulnerable to US takeover.

All of these trade offs would be unacceptable in terms of Australian culture, health and safety, public interest and economic independence.

In a more recent articles in the Australian Financial Review of June 1 Peter Hartcher commented on the US push for bilateral agreements:

“ Australia would be but one of the competitors vying to hold the attention and favour of the superpower. There would be pressure to stay in the game by yielding to US positions”

I urge you to halt further negotiations pending full community consultations.

Yours sincerely,
(Name and Address)

4) Sydney coming events

a) Rally to defend living standards Thurs June 7 12 noon Chifley Square

The Combined Pensioners and Superannuants Association of NSW is holding a rally in response to the Federal Budget to demand improved pensions, health, education, housing and welfare services on Thurs June 7 12 noon, Chifley Square, City.

b) AID/WATCH Seminar Wed June 20 5.30 pm 1st Floor, 278 Palmer St, Darlinghurst: Alternative Trade and Development Agendas

Chair and Introduction: 'Global Regulation' - Patricia Ranald (*Australian Fair Trade and Investment Network*)

Can Mining be Sustainable? Igor O'Neil (*Mineral Policy Institute*)

Global Markets V. Local Markets - Rayyar Farhat (*AID/WATCH*)

What would Fair Trade Look Like? (that is.... what do we want from Nike?) - Tim Connor (*NikeWatch*)