

AFTINET Bulletin No. 132 November 1 2006

If you would like to contribute to the Bulletin, please contact Michelle Freeman at our new email address campaign@aftinet.org.au or phone 9212 7242 Fax 9211 1407

Previous AFTINET Bulletins and resources are available at <http://www.aftinet.org.au>.

Contents

1. AFTINET moving and welcome new campaigner Michelle Freeman
2. Rann fired up about free trade with China
3. China Drafts Law to Empower Unions and End Labor Abuse
4. Government rejects criticism of PBS medicine prices
5. WTO Decision on US complaint against regulation of GE food

.....

1. AFTINET new address and welcome new campaigner Michelle Freeman

AFTINET will have a new address from November 7. The new address is Room 627, Level 6, 3 Smail St, Broadway, 2007, phone 9212 7242 Fax 9211 1407, email campaign@aftinet.org.au

We also welcome our new campaigner, Michelle Freeman, who replaces Jemma Bailey and will be at the new office from November 7.

2. Rann fired up about free trade with China

Brad Crouch Sunday Mail (SA) 15 Oct 2006

PREMIER Mike Rann has launched a surprise verbal attack on China, warning a planned free-trade agreement could cost Australia tens of thousands of jobs.

He warned China had a history of "not playing by the rules" which could cost SA jobs in manufacturing and hi-tech areas. He told the ALP State Conference he feared the Federal Government was rushing into the proposed FTA without properly considering the long-term impact on manufacturing states.

"Manufacturing must not be just traded away in some expedient deal between John Howard and the Chinese Government," he said. "Under such an agreement there is a grave risk we would lose even more manufacturing jobs because China has a record of not playing by the rules. "Our intellectual property would be at risk and that could mean job losses in hi-tech areas where our future lies."

Outside the conference, Mr Rann said the planned FTA needed close examination by the Council of Australian Governments. "What concerns me is there is a lack of transparency," he said. "What worries me is that there seems to be a headlong rush to sign an agreement that could cost tens of thousands of manufacturing jobs, particularly in SA, and I'm very nervous about this FTA."

3. China Drafts Law to Empower Unions and End Labor Abuse

Summarised from an article by David Barboza, New York Times October 13, 2006

China is planning to adopt a new law that seeks to crack down on sweatshops and protect workers' rights by giving labor unions real power for the first time since it introduced market forces in the 1980s.

The move, which underscores the government's growing concern about the widening income gap and threats of social unrest, is setting off a battle with American and other foreign corporations that have lobbied against it by hinting that they may build fewer factories here. But it is not clear how effectively such a new labor law would be carried out because local officials have tended to ignore directives from the central government or seek ways around them.

The Chinese government proposal, for example, would make it more difficult to lay off workers, a condition that some companies contend would be so onerous that they might slow their investments in China.

Hoping to head off some of the rules, representatives of some American companies are lobbying to persuade the Chinese government to revise or abandon the proposed law. The skirmish has pitted the American Chamber of Commerce against labor activists and the All-China Federation of Trade Unions, the Communist Party's official union organization.

On Friday, Global Labor Strategies, a group that supports labor rights policies, is expected to release a report in New York and Boston denouncing American corporations for opposing legislation that would give Chinese workers stronger rights. China's most vulnerable workers are migrant workers, most of them exiles from the poorest provinces who travel far from home to live in cramped company dormitories while working long hours under poor conditions. Migrant workers in virtually every city complain about abuses like having their pay withheld or being forced to work without a contract.

In a surprisingly democratic move, China asked for public comment on the draft law last spring and received more than 190,000 responses, mostly from labor activists. The American Chamber of Commerce sent in a lengthy response with objections to the proposals. The European Chamber of Commerce also responded. The law would impose heavy fines on companies that do not comply. If approved and strictly enforced, specialists say the new laws would strikingly alter the country's vast labor market and significantly push up the wages of everyday workers.

"If you really abide by the Chinese labor laws," said Anita Chan, an expert on labor issues in this country and a visiting fellow at the Australian National University, "migrant-worker wages would go up by 50 percent or more."

Liu Cheng, a professor of law at Shanghai Normal University who advised the government on the draft proposal, says many companies avoid existing laws by using employment agencies to hire workers. He says the new law will do more to protect workers from such abuse by holding companies accountable. "The principle is not to raise the labor standard dramatically," he said, "but to raise the cost of violating the law. The current labor law is a paper tiger and is a disadvantage to those who obey it. If you don't obey the law, you won't be punished."

4. Govt rejects criticism of PBS prices

The Age on line October 24, 2006

There is no evidence patients will miss out because the price of four common Pharmaceutical Benefits Scheme (PBS) medicines has gone up, the government says. Labor has accused the government of secretly adding the four medicines to a list of drugs that require an additional payment from patients.

Opposition health spokeswoman Julia Gillard said patients were picking up the tab because Health Minister Tony Abbott had failed to get some drug companies to agree to the government's mandatory price cuts. The government is trying to slash the cost of the PBS by cutting 12.5 per cent off the amount it pays for prescription medicines when a similar generic product is available.

"But what it failed to do is negotiate those price cuts with drug companies," Opposition health spokeswoman Julia Gillard said. "So instead of getting the money out of drug companies they are now getting the money out of patients and they never told you they were going to do that. "For pensioners and, I think, other low income Australians it may well be the difference between taking those medicines and not being able to afford those medicines." She said Labor had been contacted by pensioners who were struggling to afford medicines they needed.

Pensioners normally pay \$4.70 for PBS subsidised prescription medicines and other Australians pay \$29.50, but patients have to pay extra for some medicines. One of the medications, the anti-ulcer drug Zantac, had almost doubled in price for pensioners since being added to the list, Ms Gillard said, and the blood pressure treatment Tritace - used by more than 230,000 Australians - had gone up by about 70 per cent.

Pensioners were now paying \$8.88 a script for Zantac, up from \$4.70, while Tritace had leapt from \$4.70 a month to \$7.95. The anti-ulcer treatment Zoton, for pensioners, now had a \$3.63 surcharge applied taking it from \$4.70 to \$8.33 and the cost of the antibiotic Amoxicillin - used by about 56,000 children a year - had increased by 58 cents.

But the government said the Special Patient Contribution arrangements had been around for many years and were not a secret. "There is no evidence that the application of special patient contributions is causing patients to 'give up medicine'," a spokeswoman for Mr Abbott said.

The spokeswoman said no patient needed to be out of pocket over the Special Patient Contribution arrangements. "For any drug which has a Special Patient Contribution, there is an alternative product listed on the PBS at the co-payment price," she said. "Doctors should prescribe a product without a premium wherever clinically appropriate. "If, for clinical reasons, a drug with a Special Patient Contribution has to be prescribed, doctors should call Medicare Australia to ask for the Special Patient Contribution to be waived." The additional payments went to the drug supplier, not the government, the spokeswoman added.

But Ms Gillard said the government should review the policy if it meant Australians were missing out on medicines they needed. She said a Labor government would have some "tough conversations" with drug companies but would not leave patients in the

lurch if they could not reach agreement.

5. WTO Decision on US complaint against regulation of GE food

Amsterdam/Geneva, 29th September 2006:

Greenpeace International today released a legal assessment of the World Trade Organisation's interim ruling in the highly publicised dispute regarding Genetically Engineered (GE) organisms.(1) The WTO is scheduled to announce its final ruling in this case later today.

The new Greenpeace study 'Genetic Engineering and the WTO: an Analysis of the Interim Report in the 'EC-Biotech' Case', points out that the WTO's interim ruling has "missed the point" by failing to consider relevant global environmental rules when judging GE restrictions in Europe. The report also concludes that the WTO has taken international environmental law backwards by failing to support the precautionary approach, a basic environmental principle endorsed by the Biosafety Protocol, the first international agreement to regulate the transboundary movements of GE organisms.

"The broad interpretation of the scope of global trade law and the narrow interpretation of the relevance of other international agreements such as the Biosafety Protocol is both unwarranted and counterproductive," commented Duncan Currie, international law expert and author of the assessment of the WTO case, "The ruling contradicts what Heads of States agreed at the UN World Summit in 2005. Although politicians claim that environmental law and trade law support each other, this ruling demonstrates that in the hands of the WTO, environmental law is in fact made subservient to trade laws."

"The WTO is clearly unqualified to deal with complex scientific and environmental issues, and yet, when there is a conflict between trade and environmental considerations, it is the WTO that gets to decide which rules rule; it's like putting the fox in charge of the chickens," said Daniel Mittler, Trade Policy Advisor at Greenpeace International, "Recent scandals, such as the spread of illegal US rice in Europe or GE contamination of papaya in Thailand, show that the risks from GE are real, and a precautionary approach indispensable. Governments must act now to strengthen precaution in international law and ensure that global rules to protect the environment can never be undermined by the WTO."

Despite the WTO ruling, restrictions on Genetically Engineered organisms remain possible as long as they are based on risk assessments systems accepted by the WTO. As global protests against GE continue, and industry leaders commit to going GE free (2), Greenpeace is confident that governments, farmers and consumers will continue to reject GE as an unsafe and unnecessary technology. "But now we know that all those who claim that trade law and environment law will never be in conflict are lying" concludes Mittler.

Link to legal assessment:

<http://www.greenpeace.org/international/press/reports/genetic-engineering-and-the-wto>