



Level 3, Suite 3B, 110 Kippax St
Surry Hills, NSW, 2010
Phone: 02 9212 7242
Fax: 02 9211 1407
Email: campaign@aftinet.org.au
ACN 097 603 131
ABN 83 659 681 462
www.aftinet.org.au

AFTINET Bulletin No. 145
March 2008

If you would like to contribute to the Bulletin, please contact us at campaign@aftinet.org.au or Phone (02) 9212 7242 Fax (02) 9211 1407
Previous AFTINET Bulletins and resources are available at www.aftinet.org.au.

- 1. To Implement Domestic Campaign Policy Priorities on Health Care and Global Warming, Future Presidents Must Alter Existing U.S. Trade Commitments**
- 2. Trade deals spark warning**
- 3. WTO Update – Moving Towards the End Game?**
- 4. Free Trade Agreement Updates**
- 5. AFTINET Fundraising Dinner – April 17**
- 6. Fighting FTAs**
- 7. Just Transitions to a Sustainable Society**
- 8. Palm Sunday March and Rally for Peace**

1. To Implement Domestic Campaign Policy Priorities on Health Care and Global Warming, Future Presidents Must Alter Existing U.S. Trade Commitments

A new Public Citizen report identifies changes to WTO, NAFTA rules needed to facilitate candidates' proposals on health and climate

Public Citizen has identified changes needed to World Trade Organization (WTO) rules and the investment provisions of the North American Free Trade Agreement (NAFTA) to implement a dozen of the presidential candidates' key health and climate policy proposals.

The changes were detailed in the report, "Presidential Candidates' Key Proposals on Health Care and Climate Will Require WTO Modifications, Overreach of WTO Highlighted by Potential Conflicts with Candidates' Non-Trade Proposals," available at <http://www.citizen.org/documents/PresidentialWTOreport.pdf>

"Growing public ire about our current trade and globalization policies' damage to Americans' economic prospects has played an enormously important role in [the presidential nominations] election, with most candidates committing to reform NAFTA," said Lori Wallach, director of Public Citizen's Global Trade Watch division. "But candidates and voters have little idea that some of the candidates' domestic policy priorities on health care and climate change could be limited by the overreach of so-called trade agreements like the World Trade Organization. The need for a comprehensive overhaul of the WTO could not be more urgent."

Although they have nothing to do with trade, key health care cost containment proposals on the creation of health insurance risk pooling mechanisms, reduction of pharmaceutical prices and electronic medical record-keeping, a proposal to expand coverage by requiring large employers to provide health insurance and a proposal to establish tax credits for small employers as an incentive to provide health insurance

fall within WTO jurisdiction. In addition, proposals that address climate policy, such as increasing CAFE (Corporate Average Fuel Efficiency) standards, banning incandescent light bulbs, establishing new regulation of coal-fired electric plants and establishing national renewable portfolio standards (RPS), green procurement proposals and green industry subsidies come under the jurisdiction of existing U.S. WTO commitments.

“Corporate lobbyists, previous U.S. presidents, and ‘free market’ think tanks worked hand-in-hand to lock in corporate privileges on health care, energy and other domestic policies and shield them from small ‘d’ democratic reforms of the kinds proposed by Clinton, McCain and Obama,” said Todd Tucker, research director for Public Citizen’s Global Trade Watch division and an author of the report. “Now is the moment presidential candidates must stand up for their important domestic platform priorities and commit to renegotiate the WTO and other flawed trade deals.”

Moreover, the candidates haven’t addressed the need to renegotiate other provisions in trade deals like the WTO, NAFTA and other NAFTA-style trade deals that severely limit future presidents’ policy space to enact legislation on non-trade issues.

“Trying to work within the tiny policy space permitted by existing WTO rules would result in the challenges surrounding America’s health care debacle and the global climate crisis being defined so narrowly as to ensure real redress is impossible,” said Wallach. “The candidates must reject corporate calls for watering down their proposals and instead emphasize opening up the much-needed policy space to provide real solutions to pressing domestic concerns.”

2. Trade deals spark warning

Fiji Times

5 March 2008

The Pacific Network on Globalisation warned Pacific governments to be wary of viewing the Pacific Island Countries Trade Agreement as a "stepping stone" towards free trade deals with rich nations.

This follows Cabinet’s decision to approve the consolidated amendments to the PICTA.

PANG coordinator Roshni Sami said a regional trade agreement between the Forum Island Countries and a free trade agreement with developed country trading partners were two very different things.

"The Pacific is yet to gain experience with managing PICTA," said Ms Sami.

"Currently only Fiji and PNG are even implementing PICTA, yet already the European Union, Australia and NZ are all pounding on the door hoping to get better market access to the Pacific for their corporations, exports and investments.

"We are told again and again that free trade with rich nations will help the Pacific gain long term benefits, but this is far from proven. What we do know, is that free trade deals with these countries will dramatically reduce policy options for Pacific governments, and severely restrict the ability to foster local and regional businesses."

In a statement, interim Foreign Affairs Minister Ratu Epeli Nailatikau said PICTA was to liberalise trade with the aim of bringing economic and social benefits and improving the living standards of all the people of the Pacific region through gradual elimination of tariffs and other barriers to trade with clear rules and conditions of fair competition.

"PICTA is viewed by the Forum Island Countries (members of the Pacific Islands Forum) as a "stepping stone" towards their more complete integration into the international economy, an initial preparatory step towards more extensive liberalisation in the future that will hope to achieve greater long term benefits.

"PICTA will provide the FICs with experience in the negotiation and operation of a Free Trade Agreement, and it will help to create a common basis for the FICs' negotiations with other trading partners."

Ratu Epeli said there were three sets of amendments to PICTA that were agreed to by the trade ministers of the parties to PICTA at the meetings held in July 2003, May 2005, and June 2006 respectively.

He said the amendments proposed in 2006 supersede and render obsolete some of the amendments proposed in 2003.

"The first amendment relates to provision of a time frame allowed for Parties to issue rulings on the Rules of Origin before actual importation from another Party," Ratu Epeli said.

"The second amendment ensures that beverages apart from spirits and vinegar such as mineral water, aerated water and sweetened juices are part of the trade liberalisation schedule.

"The third and last amendment deals with the adjustment of timelines which take into account that a number of import tariff lines will not reach zero until 2017 in some cases while for some other good not until 2021.

"These timelines will give the FICs time to adjust to tariff reductions through moderation of tax regime."

The statement said Ratu Epeli was expected to sign the Instrument of Acceptance for these amendments on behalf of government.

3. WTO Update – Moving Towards the End Game?

The release of two new texts on Agriculture and NAMA has not resulted in any significant technical advancement of negotiations on the Doha round. There are still major differences between industrial countries and a range of developing countries, yet there is grower pressure to conclude the round.

Agricultural negotiations are taking a break after two weeks of discussion. Developing countries are still insisting on a more substantial offering on Special Products (products deemed important to food sovereignty) as the current text is too prohibitive in the requirements for a product to qualify. Disagreements still exist in a number of areas particularly the Special Safeguards Mechanism (a mechanism to allow developing countries to respond to dramatic changes in import prices or volume) and the classification of some domestic support. The Chair of the negotiations has indicated that it is virtually impossible for him to have a revised text

by the expected start of the 'horizontal' process (17 March) and thus there is a need to postpone that process.

Manufacturing negotiations are also proceeding very slowly. There has been strong criticism from developing countries about the levels of tariff cuts mandated by the new text. The Brazilian Trade Minister outlined this by stating that the developed countries are resisting greater access to their agriculture markets, yet demanding greater access to other countries manufacturing markets. A revised text is being hinted at by the chair but many fear that if this eventuates there will be little if any time to discuss it.

On services the US and EU are insisting that countries commit to locking in current levels of market access, commit to increasing levels of market access, and affirm that the level of ambition for services is on the same level as in agriculture and manufacturing. They have also asked for a "signalling conference", where countries indicate in which areas that offers of market access will occur, happen at the same time as the Ministerial on agriculture and manufactured products. This is very unpopular with many developing countries who see agriculture and manufactured goods as the main aspects of the negotiations and most important to fulfil any notions that the round is in fact a 'development' one.

The 'horizontal' process, where selected countries are invited to negotiate both texts simultaneously, was scheduled to start on March 17 however this has now been postponed to "after Easter" with no date being specifically mentioned. This postponement has largely been due to the differences in the Agriculture negotiations. A WTO mini-ministerial that was mentioned to be happening around Easter has now also been postponed, with many people speculating the possibility of early May.

There is big concern that the push to conclude these talks by such arbitrary deadlines will only exacerbate the problems of transparency within the WTO. The push from the WTO Director General and some industrial countries to conclude the talks by the end of the year seems to be at odds with the approach that many members would prefer. This latter approach focuses more on the outcomes of a deal, not the deadlines.

4. Free Trade Agreement Updates

Japan

The most recent round of negotiations between Australia and Japan has concluded with little to show for it. The Australian is reporting that Japan had offered very little in terms of agricultural access and sought to have wheat, sugar, dairy, beef, and rice off the negotiating table. Australia has always maintained that it expects any FTA to be comprehensive in its scope and this most certainly includes access for such agricultural products. It remains to be seen exactly how Australia will respond to any proposed agreement without those key areas included.

PACER

Australia seems to be pushing hard for movement on PACER-Plus with a big focus on making the April Forum Ministers Meeting the first step. This meeting is beginning the process of discussion about how to proceed on PACER-Plus negotiations with Australia keen to discuss guidelines.

A big question surrounds the process that will be undertaken for any agreement. This could include a series of bilaterals, a regional bloc, or something in between.

Given the interests Australia has in specific countries it may tend towards the bilateral approach.

India FTA Feasibility Study

The deadlines for Feasibility Study Submission are now the 28th of March with public consultations sometime close to that.

5. AFTINET Fundraising Dinner – April 17
Thursday 17 April, 6.30 pm for 7pm start
Marigold Restaurant
Level 5, 683 George St, Sydney
Price: \$55 per person (discounts for group bookings)

AFTINET's Trade and Environment Justice Dinner is on again with this year's dinner taking place on April 17. Some will remember the fun of the last Fundraising Dinner that was held in August 2006 which was hosted by The Chaser's Julian Morrow and featured Sharan Burrow as guest speaker.

This year promises another wonderful night of auctions, laughs, information, and delicious food. The night will be hosted by **Dr Meredith Burgmann** (co author of "The Ernies Book – 1,000 terrible things Australian men have said about women) and will feature **Prof Frank Stilwell** talking on the topic "Selling the environment to save it? Markets, trade and the environment".

Up for auction will be an Alan Moir cartoon, a signed Chaser APEC DVD, and art works. A raffle will also be happening that includes a wonderful array of fair traded products and prizes.

Contact Adam: campaign@aftinet.org.au or 9212 7242 to receive a registration form.

6. Fighting FTAs

Fighting FTAs (free trade agreements) is a printed book about people's experiences with, and resistance to, bilateral trade and investment deals. The book, edited by bilaterals.org, BIOTHAI and GRAIN, is accompanied by a website which reproduces the text and brings together a broad collection of audio and visual materials from around the world.

The book, of about 100 pages, available from February 2008, is the result of a remarkable collaborative effort between many grassroots activists throughout the world.

This publication does three things:

- First, it provides a solid understanding of the "FTA frenzy" that so many governments are caught up in. Many people do not understand bilateral FTAs very well until their government is on the path to signing one. Then again, there are significant differences between a US FTA, a Japanese FTA and a South-South one. Part one of this document dissects and makes sense of all that.
- Second, it brings together people's accounts of the struggle against FTAs in their own countries from different parts of the world. While there is a huge diversity in these struggles, there is a lot of commonality too, as will be seen in part two. Where accounts could not be shared in writing, we have pulled together some audio interviews which are available through the publication's website.

- Finally, part three draws some conclusions from people's experiences to date, which might help those who have yet to engage in the fight against FTAs. While the book is being first published in English, Spanish and French, groups are welcome to translate it into other languages and otherwise reproduce it as they wish.

For more information about the book or to participate on the website visit

www.fightingftas.org.

7. Just Transitions to a Sustainable Society

A Left Renewal roundtable organized by the SEARCH Foundation

Date: Saturday, March 15

Time: 12.30pm-5.30pm

Venue: Sydney Mechanics' School of Arts, Level 1 280 Pitt St, Sydney

RSVP: Friday, February 29 to troyh@search.org.au

Cost: \$10, \$5 Concession, includes afternoon tea

- What is the difference between tackling Climate Change and Achieving Sustainability?
- How could the labour and environmental movements work together in promoting a 'Just Transition'?
- What are the potential impacts on socioeconomic inequality in a transition to a sustainable economy?

For more information contact Troy Henderson on 9221 4164 or troyh@search.org.au

8. Palm Sunday March and Rally for Peace

Sunday March 16, 2008, 1.30pm

Parramatta Town Hall Amphitheatre

Themes:

Making Australia a global citizen again

All Troops out of Iraq

Support the Iranian people's movements for democracy, equality and freedom – not war!

Political solution in Afghanistan – ceasefire now!

Gaza – Palestine – Lebanon on the edge of disaster

Program:

1.30pm – Palm Sunday Service and Multi-Faith Prayers for Peace organised by NSW Ecumenical Council. Speaker: Uniting Church Moderator

2.10pm – March in streets and return to Amphitheatre

2.40pm – Four speakers to be announced

Close at Approx 3.20pm

After five years of war in Iraq and seven years of war in Afghanistan, 2008 is the year when the people can finally force the Bush Administration to withdraw troops from Iraq, and Afghanistan, and to desist from any military attack on Iran. We can celebrate the Rudd Labor government's commitment to withdraw Australian combat troops from Iraq by June this year.

Make your organisation a sponsor of the 2008 Palm Sunday March & Rally for Peace!

Volunteer to distribute flyers and posters to promote this event.

Donate to help meet the costs of this event – approx \$3,500
Organised by the Sydney Peace & Justice Coalition www.nswpeace.org