

Elephant-mouse negotiations could trade away vital public policies.

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The Australian attempt to negotiate a Free Trade Agreement with the USA looks a lot like a mouse negotiating with an elephant. Australian negotiators want greater access to the massive U.S economy, Australia's second largest market after Japan. Australia is only the 15th largest destination for US exports, and the US has a substantial trade surplus with Australia.

US Agricultural subsidies and other restrictions on Australia's agricultural exports would be a major target for Australian negotiators. But US farmers are a strong political lobby and the US is not expected to concede much on these.

When asked what the US would want, Trade Minister Vaile said that Australia's local content rules in film and television, quarantine laws and foreign investment rules were all seen as targets by the US. He said Australia would not ask for any prior exclusions at the start of the talks. He conceded that the negotiations would be extremely difficult and there is no certainty of an outcome.

Australia's local content rules are a vital pillar of Australia's cultural identity which ensure 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. The prospect of weakening quarantine law in the wake of the Mad Cow and Foot and Mouth disease scares seems absurd. Australia has investment restrictions only in 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 takeovers. There has been no public consultation about trading away these policies. They are popular and until now have had bipartisan political support precisely because they do protect the public interest.

A US- Australia Free Trade Agreement is being used as a symbol of progress on trade liberalisation while new issues are stalled in the WTO. Such symbolism is worthless compared with the losses to Australian culture, health and safety and economic independence which would result from trading away these important public policies.