

## Stop the phony “free trade” agreements STOP the proposed Trans-Pacific Partnership (TPP) and TISA

Dear member / senator

I am a university graduate in History, Economics, Economic History, and Politics, further qualified in specialist disciplines and graduate qualified in management and public administration. My long working life has been significantly successful both in public service (local government) and in private enterprise (as a computer systems sales manager, and as a property developer and manager).

As an informed person, I am appalled at the blind belief in so-called “free trade agreements” (FTAs) and by the falsehoods being pedalled by corporate agents. **These agreements for the TPP (or any so-called-FTA like the currently proposed TPP) are not about genuinely free or responsible trading. They are mainly about extending in time and in scope exclusive patents and monopolies to extort excessive profits, about avoiding environmental and employment standards, about escaping law enforcement.**

The process is totally dishonest and actively anti-democratic:

- The undemocratic secrecy to avoid rational informed scrutiny,
- The corporate drafting and corporate insider privileges at negotiations, and
- The blatant ministerial lies during negotiation of FTAs.

Indeed, if it was not for leaks and whistle-blowers, the voter-citizens would have had no knowledge and no chance to respond. This is the true fruit of FTAs – the assassination of responsible democratic government.

The TRUE facts are there to be seen, and the critical issues are historically documented.

These FTAs benefit only the smallest few, the transnational corporations and the super-rich 1% of populations. Meanwhile, these alleged-FTAs will break our economy, will destroy our local industries, and they will rob us of due taxation to provide the services which our citizen people need and all businesses use. They destroy local jobs and put the growth off-shore to the cheapest source, regardless of quality and national interests.

**Centuries of economic and social history demonstrate that nations have grown their strength by putting their own people first,**

- by nurturing “home grown” industries,
- by processing what they produce as primary product,
- by generating manufacturing industries,
- by expanding services which support those and employ their own citizens,
- by controlling imports and encouraging exports,
- by selective tariffs and by asserting foreign exchange control,
- by assessing each proposition according to the criterion – does it benefit the PEOPLE of our nation, for the longer term, and in a continuing sense, tested by honest evidence.

These are the responsibilities of all true governments. This is what a national government is established, responsible and bound to do.

These responsibilities also strengthen the nation’s ability to keep local control of its own security, its essential national resources, vital services and facilities, and defence operational capacity.

**This is the repeated lesson of history, but corporate-sponsored parties in modern governments defy their responsibilities to their citizen people.**



The real economics, the trade numbers and analysis should be established on the impacts of FTAs on the people of a nation like ours. And they are not "benefits".

The true facts are not much publicised in corporate-owned and corporate-dependent media. The truth is not made readily publicly available, because the "benefits" are zero at best.

The impacts of FTAs are rather massive losses.

From history we can clearly see that the general impact of such FTAs on countries that have liveable wages, decent working conditions, and a protected environment:

- loss of local jobs and income;
- loss of industries;
- loss of control;
- loss of taxes to serve our people;
- loss of sovereignty;
- loss of independent judicial oversight;
- loss of environment quality by contamination and destruction; and
- zero regard for the long-term social values and life sustainability.

Therefore, the negotiations are secret!! The corrupt purpose explains the hustling, lobbying, and secret drafting by multi-nationals. These FTAs are an attempted coup-d'état, overthrowing government of the people and for the people.

If proof is required, examine the details of the effects of the North American Free Trade Agreement (NAFTA) on the people of its partners. Even a primary school child could see the likely results of the ChAFTA... a trade agreement between a giant nation and a colony. Patently, the big powerful nations always exempt and protect or secretly subsidise their own industries - leaving us without the right or means to support our own local people and industries.

Multinational corporations are the beneficiaries. It is in their dictated terms and their very short-term interests that the "trade deals" are made. The FTAs allow multinational corporations to locate off-shore their operations, their employment, their in-puts.

The FTAs not only allow, but they guarantee that these corporate non-people will evade their due taxes by profit-shifting, while they are using services provided by local taxes, levied on others (mainly citizen people).

Multi-national corporations either seek to import cheap (almost slave) labour or seek to export Australian jobs to places with cheap labour - or do both.

Having denied our governments the taxes on incomes, trans-national companies also off-shore their profits to pay little or no company taxes.



**Ingredients:**

Sewage  
Refined Sugar  
Arsenic  
Mercury  
Undisclosed toxins  
Fracking fluids  
Salmonella  
Roundup  
GMO's

Ingestion may cause  
Loss of jobs, health,  
sovereignty, and the  
American Dream.

Symptoms include:  
Fascism, Oligarchy,  
Corporatocracy, and  
Plutocracy.

**Then there is the issue of ISDS, which is the deliberately under-stated and mis-named Investor State Dispute Settlement mechanism. In any of its forms, it is a deliberate device to break sovereignty and national judicial arbitration of law.**

Under TPP and ISDS, corporations demand the right to sue our governments if we try to control their rampant unprincipled greed that destroys our environment and health standards and opportunities for national self-sufficiency.

ISDS is not an independent tribunal but a totally fundamentally corrupt self-serving tool of the multi-national corporations. It stands apart from national law and courts, in fact above and without recourse to any courts established by our nation. It is totally a tool of foreign and irresponsible corporations. The advocates and judges are the same recycled corporate legal hacks.

That is an extremely bad proposal, BUT our local corporations and loyal businesses do not get offered the same rights !! These "trade agreements" and their dispute "tribunals" actually **favour foreigner corporations** over local industry and citizens. That is treachery and traitorous. That is never "free trade". It is seeking and submitting to rape and pillage.

To select just one very personal impact of FTAs is that they usually result in longer patents and copyrights and more costly medicines. Even cures based on Australian tax-funded research end up being manufactured by foreigners and shipped to us at monopoly prices. Generic medicines are prohibited.

Citizens of the USA are already exploited and plundered in their dire and desperate illnesses, and the greedy corporations want to extend that exploitation to citizens here and everywhere to achieve even greater super-profits and super-rich owner-directors.

**FINALLY AND MOST DEADLY, these FTAs would effectively deny us and all "partner" nations the legislative right (or the financial means) to avert the causes of anthropogenic climate disruption.**

**The ISDS would/will allow corporations to over-rule reasonable environmental standards as restrictions on free trade.**

**The ISDS places possible future corporate profits ahead of survivability for the next generation.**

**The ISDS effectively takes away the right to legislate for safe work places, safe products.**

**The ISDS trashes our control over environmentally secure manufacturing, and our rights to quality of air, water, and food.**



So, do I support these FTAs? Absolutely NOT.

**I reject Australian governments' slavish following of narrow neo-con "liberal" propaganda (lies) from the multinational corporations in whose very short-term interests the "trade deals" are made.**

**Australia has the resources, the people, the creativity to stand strong and independent, but all that is being undermined by exploitive corporations.**

So I have a simple message:

1. **Reject the TPP and ISDS. Now. Finally.**
2. **Never begin considering TISA (Trade In Services Agreement). Dump it like "Mr Fluffy" loose-fill asbestos - because the effects are just as deadly!**
3. **Review critically all other existing or proposed "free trade agreements" that destroy our manufacturing, processing, and mining industries, and weed out anything like ISDS.**

**Then I ask myself, why am I writing again and again to elected members and senators of all parties, and getting sensible replies only from The Greens ?**

Is it because the other parties are doing the will of their true sponsors, their electoral donors, their corporate masters, their tax-avoiding friends?

Is it because the other parties are pathetically or wilfully ignorant of the FACTS ?

Please get some independent social and economic research and FACTS: get research that goes beyond the simpleton's "trade is good" jingo; get research by analysts of historical social and economic hard data.

Yours sincerely,

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## **TPP fails, even from a USA perspective**

***“The TPP is mostly about setting up a business-friendly structure of regulation, including a system of extra-judicial tribunals that exclusively benefit foreign investors.***

An important part of this regulatory structure is the strengthening of patents, copyrights and related types of intellectual property claims. These forms of protectionism are equivalent to tariffs of several thousand percent, often raising the price of the protected items by a factor of a hundred or more.

To take one prominent example, the Hepatitis C drug Sovaldi has a list price in the United States of \$84,000 for a three month course of treatment. A high quality generic version is available in India for \$200.

This gap in prices matters hugely when we talk about the volume of trade flows. Suppose that 1 billion people in China use Microsoft's Windows operating system. If we make them all pay \$50 for each system then this is \$50 billion in US exports to China. Now suppose that everyone in China is able to use Windows at no cost. In this case we have \$50 billion less in exports, but we still have 1 billion people in China getting the benefit of the Windows operating system.

By making people pay more for ideas, the TPP will increase the volume of world trade. But, it is a huge stretch to argue that this is somehow good for economic growth or the people who will have to pay more for prescription drugs, software and other protected items. (Yes, we need mechanisms for funding research, but there are more efficient routes (<http://deanbaker.net/books/rigged.htm>).)

This Trumpian fabrication is the sort of game playing we should expect from the proponents of TPP. There is a lot of money at stake (for corporations) in getting (puppet) governments to approve the deal and they have no intention of letting the truth get in the way.”

Dean Baker, Truthout. 7/11/2016

***“The TPP is not about free trade.***

It does little to reduce tariffs and quotas for the simple reason that these barriers are already very low. In fact, the United States already has trade deals with six of the other 11 countries in the TPP. This is why the nonpartisan United States International Trade Commission (ITC) estimated that when the full gains from the TPP are realized in 2032, they will come to just 0.23 percent of GDP. This is a bit more than a normal month's growth.

***In fact, the TPP goes far in the opposite direction, increasing protectionism in the form of stronger and longer patent and copyright protection. These forms of protection for prescription drugs, software and other products, often raise the price by a factor of a hundred or more above the free market price. This makes them equivalent to tariffs of several thousand percent.***

These forms of protection do serve a purpose in promoting innovation and creative work, but we have other more efficient mechanisms to accomplish this goal. Furthermore, the fact that they serve a purpose doesn't mean they are not protectionist. (<http://deanbaker.net/books/rigged.htm>) After all, protectionism always serves some purpose. A quota to protect the US sugar industry doesn't stop being protectionism because it ensures the survival of a domestic sugar industry.

It is likely the case that the strengthening of patent and copyright related protections in the TPP does more to impede free trade than the modest reductions in tariffs do to promote free trade.

Unfortunately, neither the ITC nor anyone else has attempted to quantify the cost of the protectionist measures in the TPP so we don't have a good basis for comparison at this point.

The other point to be made about free trade and protectionism is that our push for free trade has always been very selective. The North American Free Trade Agreement (NAFTA) and other trade deals were explicitly designed to make it as easy as possible for US corporations to manufacture goods in the developing world and ship them back to the United States.

***This pattern of trade had the predicted and actual effect of reducing jobs and lowering pay for manufacturing workers.***

This pattern of trade has been an important factor in the wage stagnation seen by workers without college degrees over the last four decades. But there was nothing inevitable about this process.

While manufacturing workers in the developing world are willing to work for much lower pay than manufacturing workers in the United States, so are doctors in the developing world. Unlike manufacturing workers, doctors [in USA] are powerful enough to get protection. It is not generally possible for a doctor trained in another country to practice medicine in the United States unless they pass a US residency program for which there is a strict quota on foreign trained students. As a result of this restriction, doctors in the United States earn on average twice as much as doctors in Canada, Germany and other wealthy countries. This protectionism costs the United States roughly \$100 billion a year (around \$700 per family) in higher health care costs.

***If our trade negotiators actually were interested in "free trade," they would have constructed a system whereby foreign trained doctors could be certified as meeting US standards. They would then have the same freedom to practice as any doctor born and trained in the United States.***

Note that this is a trade issue, not an immigration issue. Foreign doctors could probably get away with working in restaurants or construction in the US, they just can't get away with working as doctors. If we had a number of additional foreign doctors enter the US equal to just one month's normal flow of immigrants, it would hugely transform the market for physicians in the United States.

The potential gains from eliminating the barriers that prevent foreign doctors and other highly paid professionals from working in the United States are enormous. These barriers are not removed in trade deals because the people negotiating them all have parents, siblings and/or children in these professions. They want to protect *their* incomes; they don't care about the income of autoworkers and textile workers.

**The real story here is that the TPP is a deal about redistributing more income upward. It's imposing more competition on those at the middle and the bottom while maintaining and increasing forms of protectionism that benefits those at the top.** When reporters call the TPP a "free trade" deal, they are acting as advocates, not reporters. The TPP is a protectionist pact for those at the top who are worried that free trade will undermine their income like it did for those at the middle and bottom."

Dean Baker, Truthout. 24/10/2016