

7. Border protection

John Howard won the 2001 election with the cleverly crafted and market researched phrase: ‘We will decide who comes to this country and the circumstances in which they come.’

By 2001 the Howard government had been in power for five years. Following our UN-supported military intervention in East Timor, relations with Indonesia deteriorated, leading to the influx of boat people coming via Indonesia, in an election year. Threat of a chaotic influx of refugees fitted perfectly with the Crosby/Textor/Howard 2001 election strategy.

Howard's skilful management of the national news agenda in 2001 focused the whole nation's attention on the so-called ‘invasion’ by boat people and the military activity initiated to stop it. In the end, he convinced the majority of Australian voters that his high-profile, high-cost ‘Pacific solution’ was good policy.

Having bravely defended us from homeless refugees, Howard then set about preparations to drop our border protection against a far more powerful and intrusive force, corrupt American-style capitalism, through the Australia–United States Free Trade Agreement.

What does Howard's approach to this agreement tell us about his loyalties?

Australia–United States Free Trade Agreement

The United States had been keen to tie Australia into a free trade agreement for some time. Previous Australian governments, which could see that it was not in the national interest, rejected two earlier attempts. Many Australians support free trade as a concept. Was the

Australia–United States Free Trade Agreement simply about free trade, or did it involve surrendering some of our sovereign rights for very little gain?

Americans are hard negotiators. There were many points in the proposed agreement that were bad for Australia and which our team was unwilling to accept. We had to get the United States to agree to reduce their agricultural subsidies, but got nowhere. As economist John Quiggin wrote:

More importantly, no changes are proposed to the US Farm Bill. Not only is the general system of subsidies unaffected (it would perhaps have been utopian to hope for broad-based reform) but there does not even appear to be any commitment to avoid the use of export subsidies that directly harm Australian exporters in particular markets. Indeed, it appears that the issue of the Farm Bill was not raised in the negotiations. The most important distortions of agricultural trade practised by the US are unaffected by the FTA and are, in effect, endorsed by Australia's signature to the agreement.¹

The Americans came to the negotiations having already decided on a bottom line, things they were unwilling to negotiate. As a result, much of the negotiations focused on things Australia might give up.

Naively, Howard had made a promise to the Australian people and to George Bush that he would conclude the agreement. He was keen to conclude it before the 2004 election. These politically motivated promises became levers in the hands of the American negotiators. With Howard's promise, they could dig in their heels and make greater demands of the Australians, knowing that they had an agreement in the bag. Howard's need for electoral victory and his relationship with Bush trumped the national interest.

The deal was so bad that the Australian negotiators are said to have recommended the prime minister walk away from it. Howard is said to have rejected their advice: he was relying on the agreement to help his re-election chances and put Labor on the defensive. The only way our

negotiating team could conclude the deal was to negotiate away more and more of our rights.

In signing the agreement Howard weakened our sovereignty by, for example, removing many years of carefully developed regulations on capital flow, quarantine regulations, intellectual property, etc; he also reduced the government's capacity to make laws and to promote 'buy Australian' campaigns.²

Quarantine

The sell-out on quarantine regulations that protect Australian agricultural industries, for example, has major implications, with regard to our status as a country free from mad cow disease, or BSE.

Australia is such a successful cost-effective agricultural exporter largely because of the absence of disease in our herd stock. The World Trade Organization (WTO) recognises the value of our strong quarantine protection. The politically motivated United States trade lobby, however, argued that our quarantine is a disguised way of restricting imports. In *How to Kill a Country: Australia's devastating trade deal with the United States*,³ trade experts argue that we needed to maintain this competitive advantage at all costs. Our negotiators should not have been empowered to give it away.

With the Free Trade Agreement, Australians will no longer decide our quarantine restrictions on American imports on the basis of scientific evidence. Neither will disputes be referred to the independent WTO; instead they will be referred to a team of United States–Australian trade negotiators. These negotiators are to meet behind closed doors. Could this arrangement possibly be in our national interest? We are replacing our robust scientifically based quarantine system with an opaque process that is wide open to corruption by unscrupulous American negotiators. It is a decision that has left the Australian agricultural sector shaking their heads in disbelief.

Where was the National Party in all this? It seems they were taking orders from Howard.

In the 1980s when mad cow disease was discovered in the United Kingdom and further into Europe, those countries' beef export industries collapsed. No country wanted to import beef that could introduce this fatal brain-wasting disease to their cattle herds or their human populations.

Thanks to our strong, science-based quarantine system, Australia was free of mad cow disease and our exports skyrocketed. The United States was also free of the disease and refused to import beef from affected countries. Then, in 2003, the disease was discovered in the United States. Suddenly other countries refused to accept its beef. Australia's beef industry then had an extraordinary competitive advantage.

If a prime minister was to give away this competitive advantage, you would have to ask for which side is he playing?

Australian experts on the economics of trade have commented:

In an astonishing concession to the United States, the side-letter [to the Australia–USA FTA] commits Australia to promoting US-designed international guidelines on trade in beef with BSE-affected countries—guidelines that Australia had previously reserved the right to ignore on the basis of our unique, clean, green status. In one fell swoop, Australia's ability to pursue an independent approach to quarantine policy on this deadly disease was undermined, paving the way for beef imports from the United States—a country with one of the weakest BSE testing and control regimes in the developed world—far below international standards.⁴

It has also been noted that Robert Zoellick, on the US side, was overjoyed by the BSE agreement, describing it as:

one of the most significant wins for the American side: probably the best news for us [America] in the [quarantine] area is the co-operation on [BSE] so that we can open up some of our markets to beef globally, particularly in Japan and Korea.⁵

This analysis concludes:

The Howard Government's approach to trade policy over the past decade reveals a pattern consistently at odds with the pursuit of national economic security. Two aspects of that approach in particular leap to the eye. One is a striking disregard for the expert advice and outcomes of government-commissioned research in a range of important trade-related policy arenas. The other is a remarkable willingness to prioritise the economic interests of a foreign power over and above those of Australia.⁶

Something is very wrong with our democracy when a prime minister appeals to border protection against boat people to win an election while at the same time trashing the true border protection of our quarantine regime.

Conclusion

Howard won an election by making a lot of noise about protecting our borders from homeless refugees while planning to implement an agreement that dropped all border protection against corrupt American-style capitalism.

Most of those who have examined the United States Free Trade Agreement tell us that it gives away far more benefits than it secures for us and that the agreement is not in the national interest.

The Howard government was derelict in its duty when it weakened our quarantine laws and thereby assisted the United States farm lobby. This is yet more evidence that Howard is working for interests other than Australia's.