



In 1977 as part of the Australian Democrats' first Federal election campaign, Don Chipp delivered a policy speech where he called for the establishment of an Overseas Commodities Corporation with agencies attached to every Australian embassy, in order to promote Australian farm products more aggressively and to negotiate long-term contracts.

The Democrats' 1982 platform also supported energetic overseas marketing, and raised the issue of Australian Ownership, arguing further foreign investment in Australian industry should be limited¹.

It was also argued that export assistance favour fully Australian owned industries.

And the Democrats recognised that natural resources should be sold overseas only on a national, not a State-by-State basis.

Throughout the 1980's the Democrats maintained that the restructuring of industry was an inevitability that kept landing in the "too hard basket". Even with protection, a number of industries were non-competitive with foreign markets.

The Democrats supported the restructuring of Australian industry through gradual lowering of tariffs but also developing alternative regional economic development programmes and investing in paid retraining.

In 1986 Senator Michael Macklin highlighted the impact of protectionist policies of the USA and the European Community in Australia, and pointed out that the US's trade policies toward Australia were not consistent with those of a close ally.

In the Democrats' 1992 Policy "The Sustainable Economy" we argued for the selective use of tariffs to protect industries which meet performance criteria relating to environmental, social and domestic economic requirements.

¹ 40 per cent in established industries, and 70 per cent in new ones

The Democrats also argued for increased duty on luxury imports and the prohibition of imports which are environmentally or socially detrimental, such as nuclear technology and exports which promote militarisation.

We have always argued that exports of Australian armaments and offensive military technology, as well as uranium, should be stopped.

In 1993, we argued for tariff cuts to be frozen for 12 months pending a national inquiry. Labor, Liberal and the Nationals wouldn't agree so the Democrats established an independent Parliamentary Inquiry into Tariffs and Industry Development.²

We argued that Anti-dumping measures be strengthened, again defeated by Labor, Liberal and the Nationals. And we always supported the Buy Australia campaign including accurate labelling. We have supported the local Car industry with environmental considerations. We tried to protect the Textile Clothing and footwear industry. We also supported recycled paper products.

In the early 1990s we strengthened copyright applying to Australian versions of overseas books; and proposed amendment to encourage publication of overseas books here, instead of importing them (defeated by Labor, Liberal and the Nationals).

During the recent budget negotiations we successfully negotiated the restoration of a Budget funding cut to the Book Industry Assistance Package.

In 1995, the Democrats initiated an Inquiry into 'Outworkers in the Garment Industry' which, in part, looked at children aged under 15 involved in outworking, and the inquiry's recommendations contributed to the "Fair Wear" campaign.

It is significant that, today, Australia still has not ratified the ILO Convention on Child Labor.

Throughout the second half of the 1990's the government was engaged in trade liberalisation negotiations. The Democrats argued that there must be a Quid Pro Quo approach to tariff reductions, because the 'level playing field' is clearly a myth.

² The eight-month inquiry looked into the effects of the tariff and industry development policies at that time and the action needed to increase Australia's industrial capacity to provide employment for its workers and to achieve a reduction in its foreign debt. The inquiry took evidence from 129 witnesses and received 127 written submissions.

The evidence from a wide cross-section of industry associations, unions, individual enterprises, community organisations and research analysts established a direct and substantial link between tariff cuts and the abolition of quotas and the steep increase of imports and consequent job losses.

25 years of the Politics of Free Trade versus Fair Trade

In its essence the fair trade versus free trade debate is about the nature of the market. The free marketeers are convinced that there are powerful natural forces that channel greed into creating the greater good. They believe we should stand back and let market forces curb the self interested behaviour of powerful conglomerates, and that the pressures of demand and supply will protect our environment, our communities and the vulnerable, not just in our country but around the world.

Democrats and other fair traders on the other hand are not convinced. We believe that government has to step in and make sure markets deliver the communities we want to live in. We have to take collective responsibility to ensure that our environment is protected and the social outcomes are just.

The Australian Democrats have argued this in defence of Tasmanian salmon and apples for example. And recently we have campaigned against the importation of Filipino bananas.

Too often in our quarantine considerations, scientific and environmental issues are subsumed to trade obligations.

The Democrats have long campaigned to have environmental protection, labour conditions and occupational health and safety recognised as legitimate grounds for industry protection, under GATT – the General Agreement on Tariffs and Trade.

In the last week the Democrats have exposed the Government's efforts to use the GATT agreements to drive through the privatisation of Australia Post. Last year we rejected the Government's efforts to corporatise Australia Post. But now the Government appears to be set to commit Australia to de-regulating postal services through the GATT.

They are hoping to use international free trade as an excuse to push through reforms the community reject.

If we open our markets when our trading partners do not it will mean the decimation of Australian industries and jobs, as firms either move offshore or close.

To be fair to our domestic industries and to safeguard the future of the world's resources we should apply environment standards and labour process standards both domestically and to imports.

Australian manufacturers should not be disadvantaged for pursuing environmental and health and safety standards which are in the community interest.

The domestic equivalent of fair trade is the fair competition laws in the Trade Practices Act. These laws govern business conduct, and they are currently being reviewed.

Ideally we would like to see an overhaul of the Act to make environmentally sustainable development a core principle governing business conduct.

At a minimum, we want fair competition between the old dirty industries and emerging ecologically sustainable industries.

Currently, a lot of traditional industries have an unfair advantage. They get cheap access to natural resources - a lot of them non-renewable resources - and that makes their products cheaper. This gives them a leg up in comparison to sustainable industries who have to pay for recycled materials, or who are pioneering innovative new production processes.

We will be calling on the Government to make sure that sustainable industries get a fair go and can compete on a level footing and we will be asking the government to enshrine this commitment in law through the Trade Practices Act.

“An impressive feature of the record of debate in the Australian Senate (Senate Hansard) is the manner in which Australian Democrat Spokespersons have remained true to their principles. In essence these are based on the democratic principle of free and fair representation of human interests and not on the preservation or pursuit of particular vested interests. So it is not surprising to find Democrat speakers focussing on the environment, or the unfair aspects of free trade, but the issue which attracts those of humanitarian persuasion is the current debate about so called illegal immigrants. This particular Federal policy is an anathema to an apparent minority of thinking Australians, who are dumbfounded by thoughtless attitudes of the majority who apparently support it.

My own personal view of the Democrats is that they are not only a party of social conscience and environmental concern, but they also have a philosophy about the operations of a private economy and how this relates to the publicly owned one. While accepting the virtues of the invisible hand in general, Democrat spokespersons have in debate shown an acute awareness of market failure and that free market solutions are not socially optimal *per se*”

This is an edited extract of an address by Bruce Felmingham given in Tasmania on the 12 July 2002.

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