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LABOR MOVES AWAY FROM FTA

SBS

14.6.2004. 15:34:00

The federal Opposition says it's worried about a new study showing a free trade agreement with the United States will have much higher costs than benefits to Australians.

The study, by Australian National University economist Dr Philippa Dee and commissioned by the Senate committee reviewing the proposed free trade agreement, has found most gains assumed by the government are overstated.

And it reports far higher than originally estimated royalty payments to the US will lead to increased costs to taxpayers and consumers for items like pharmaceuticals, books and music.

The Opposition leader, Mark Latham, says Labor hasn't decided if it will support legislation to implement the free trade agreement, which has received a 'black mark' as a result of this study.

"We've said all along that we would have a full examination of it, the pluses and minuses, and look at the net impact on Australia's national interest.

"What we say today is that this is the biggest concern, the most worrying information to come before the committee (because) \$700 million extra costs for pharmaceuticals for Australia is not a good thing."

The Parliament is expected to debate the free trade agreement in the next few weeks.

SOURCE: Radio News