

US free trade deal locked in

Australian Associated Press
August 12, 2004 - 7:34PM

The future of the free trade deal with the United States now hangs on the endorsement of the Bush Administration in Washington after the government and ALP agreed on amendments in the Senate.

Prime Minister John Howard said he reluctantly agreed to Labor's amendments on patent laws and the Pharmaceutical Benefits Scheme (PBS), warning the changes could derail the deal with the US.

But Opposition Leader Mark Latham stood by his amendments on Thursday and said they were consistent with the text of the free trade agreement.

He dismissed Mr Howard's suggestion that US Trade Representative Bob Zoellick could now veto the deal, saying Labor had been in touch with US authorities who had raised no concerns about the amendments.

The breakthrough on the trade deal came after four days of negotiations over the ALP's amendments, which will boost penalties for bogus patent applications which could be filed to stop cheap generic medicines coming onto the market.

Mr Howard said Labor's amendments were not needed, as Australia's PBS was fully protected under the free trade deal.

And he warned the changes could be against the spirit of the free trade agreement (FTA).

But he said the government decided it was best to agree with the ALP amendments in order to pass the legislation through the Senate.

"The government has decided that the common sense thing to do is to support the amendments," Mr Howard told reporters.

"There is a possibility that the Americans will find that this legislation is in breach of the provisions of the free trade agreement.

"And if something does occur along those lines, then it will be on the Labor Party's head and nobody else's head if a difficulty in finally implementing the agreement arises."

Mr Latham welcomed the breakthrough as good news for Australia, but said he could not understand Mr Howard's concern about an American veto.

He called on Mr Howard to explain how the spirit of the trade deal was different to the text of the agreement.

"He needs to give us a clear understanding of what he means by the spirit of the FTA," Mr Latham told reporters.

"He is clearly supporting amendments knowing that they're consistent with the text of the FTA.

"If he's got some other matter that has been raised across the negotiating table that falls under the description `spirit' of the FTA, he should tell us what this is.

"Until he does, this has to be dismissed as a nonsense."

In parliament, the Greens and Australian Democrats condemned the deal between the ALP and government.

Democrats spokesman Aden Ridgeway said the amendments tinkered around the edges of the PBS but did not fix any fundamental problems.

"So what we've got here is bodgie and dodgy getting together to give us a sweet FTA," Senator Ridgeway told parliament.

"We will continue to hold the Australian national interest as our primary focus even if both major parties will prioritise the US interest over ours."

Greens leader Bob Brown said Mr Howard had sought US approval before agreeing to the ALP's amendments.

"The whole thing's been delayed waiting for President Bush to make up his mind," Senator Brown said.

© 2004 [AAP](#)