

# Free trade bill passed, but last hurdle looms

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A new chapter in American-Australian relations has been written with the historic passage through Parliament of the US free trade agreement.

The Prime Minister, John Howard, said the agreement "will have enormous long-term benefits for this country" and the Trade Minister, Mark Vaile, described the outcome, after two weeks of intense negotiation with the Labor Party over amendments, as "a very, very important day in the history of Australia's relations with the United States".

But the Greens and the Democrats said its passage marked a black Friday for Parliament.

"Australia's national interest has been sold across the Pacific Ocean," the Democrats' trade spokesman, Aden Ridgeway, said.

The Greens' leader, Bob Brown, attacked Labor for voting with the Government to pass the trade deal and to truncate debate on the agreement.

"This is the great Labor Party, supporting John Howard in saying 'cut off the parliamentary debate, cut out democracy'," Senator Brown said. "It's very disappointing that Mark Latham, leading into this election, is looking so much like John Howard."

Mr Vaile predicted the trade deal would boost economic growth by \$3 billion a year and create 30,000 jobs.

Mr Howard said all Australians would be better off under the deal, although he admitted he almost walked away at one stage of the negotiations with the Americans, who were pushing hard for changes to the Pharmaceutical Benefits Scheme.

Mr Howard said he had not given anything away to the Americans on that issue. He said Labor's amendment to the legislation imposing fines on drug companies over patent extensions was unnecessary, clumsy and might be unacceptable to the US.

Although the enabling legislation underpinning the deal has passed through Parliament, a final hurdle remains.

Mr Vaile said both countries had until the end of next month to certify the legislation as being consistent with the agreement. If the US rejected it, Parliament would be recalled to change it.

In an overnight statement, Richard Mills, a spokesman for the United States Trade Representative, pointed out that the US must certify that the legislation fulfils the obligations under the free trade agreement before it can come into force.

"We have stated that it is Australia's obligation to implement the FTA in a manner consistent with both the terms of the FTA and international intellectual property agreements," the statement said. "We've made clear that the United States must certify that the implementation language fulfils the obligations under the FTA before the FTA can come into force. We reserve all our rights in this process.

"At no point have we expressed acceptance of the proposed legislation and/or amendments."

This may mean any part of the legislation put forward by the Australian Government, or the amendments insisted on by the Opposition, could potentially be challenged by the Americans.

During the certification process the US will consult the drug companies that have fought hard to change Australia's system for subsidising prescription drugs.

Mr Latham hailed the outcome on the agreement as a win for Parliament: "We thought it would have been bad to rush in, to rubber-stamp this at the beginning of the year as Mr Howard suggested. And we've made two very significant improvements for the benefit of the country, one protecting the local content rules for Australian television and radio and the other ensuring that we've got access to the affordable medicines of the future."

An extraordinary media conference that spanned the political spectrum - the Greens' Michael Organ, One Nation's Len Harris and independents Bob Katter, Peter Andren and Tony Windsor - also condemned the passage of the trade deal.

"Anyone representing Australian agriculture and the farmers of Australia [who supported the deal] should be ashamed of themselves," Mr Katter said.