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Fears grow over free-trade deal concessions

By Tom Allard, Foreign Affairs Reporter
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Farmers are concerned, consumer health advocates alarmed and the film and television industries up in arms after new details of a prospective free trade agreement between Australia and the US were revealed yesterday.

The deal - which both countries hope to have concluded by the end of the year - was the first item of discussion when the US President, George Bush, and the Prime Minister, John Howard, talked yesterday in Canberra.

The talks revealed that Australia was prepared to wait years for agricultural barriers to be relaxed. The US wants to change rules for the provision of prescription drugs and wants little or no regulation for local film and radio content for any future new media.

With Mr Howard saying he was prepared to make trade-offs to get the deal in place in time, a senior government official told journalists that Australia was prepared to show "flexibility".

The Trade Minister, Mark Vaile, will meet his US counterpart, Bob Zoellick, soon to begin the horse-trading, it was revealed.

The official said Mr Howard told Mr Bush that Australia demanded significant reductions in US tariffs and quotas blocking Australian farm produce but was prepared to wait some time for the barriers to be eliminated.

Mr Howard told Mr Bush he would "understand if those benefits [for agriculture] build up over time but there has to be an agreement that builds those benefits in", the official said.

"What he had in mind there was what the US had done in a number of other agreements. You can stagger how you do things if that helps to facilitate getting them through," he said.

Free trade agreements that the US has struck with Canada, Mexico and Chile have timetables for the removal of trade barriers which drag on for up to 15 years, especially for heavily protected US agricultural produce. Australian farmers want major changes to trade barriers which affect exports of sugar, dairy and beef.

But the president of the National Farmers Federation, Peter Corish, said these "exceptionally slow" timetables for reform had "undone the effectiveness" of these deals.

But Mr Bush faces an election next year and needs the support of rural communities. He will be reluctant to offer Australia quick, rapid cuts in trade barriers that will affect US farmers.

The health expert at the Australian Consumers Association, Martyn Goddard, said a US push to protect drug companies' patents and stymie development of generic drugs was "very worrying rhetoric". US drug companies - big contributors to the Republican Party - want to curb subsidies offered through Australia's PBS scheme, he said.

Significantly for Australia's film and television industries, Mr Howard told Mr Bush he was prepared to give ground on the level of Australian content on new forms of media, such as online video on demand.

"In looking at future or new media, we are prepared to be fairly flexible there," Mr Howard said, according to the account by the officials.

The chief executive of the Australian Film Commission, Kim Dalton, said the statement appeared to be a shift in the

Government's stance.

And the chief executive of the Australia Council, Jennifer Bott, said she was disturbed.

"It could be that in the not-too-distant future, foreign digital productions could impact heavily on not only the livelihoods of Australian artists but also the cultural identity of the nation," she said.

Officials begin the next round of free trade talks on Monday.

This story was found at: <http://www.smh.com.au/articles/2003/10/23/1066631573156.html>