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## AFTINET Bulletin 80, 19 January 2004

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### 1. Thousands of AFTINET statements delivered to Trade Minister as US Farmers lobby against USFTA

As the final round of USFTA negotiations begins this week, AFTINET took the copies of our USFTA statement, signed by 2,223 individuals and 63 organisations, to Canberra on Thursday last week and delivered them to Minister Vaile's office. The statement condemned the USFTA's restrictions on democratic policies, demanded exclusion of all health, social and environmental policies, no powers for corporations to sue governments and that parliament, not Cabinet, should vote on trade agreements. The statement is available on our website <http://www.aftinet.org.au>

We issued a media statement with Senators from the Senate Inquiry into the USFTA, which emphasised that the Inquiry report also supported these demands. We received coverage on **ABC National TV news**, **SBS National TV news**, the **Sydney Morning Herald**, **AAP** and a number of regional radio stations.

Powerful US Sugar and Dairy farm lobbies are still strongly opposing reductions in tariffs and quotas which the Australian government claims will be the main benefits for Australia from the agreement (**The Age** 16/1/04). The US Pharmaceutical lobby is still pursuing changes to patent rules to prevent price comparisons with generic drugs which mean that the Australian government pays lower wholesale prices under Australia's Pharmaceutical Benefits Scheme. If they succeed, higher prices would be paid by the government or passed on to consumers See their latest National Trade Estimate Report Foreign Trade Barriers at <http://www.phrma.org>.

The danger is that some concessions will be made, as they have been on Australian content rules for new forms of media, in return for minimal gains in agriculture, as the government tries to cobble a deal together.

### 2. Opposition grows as USFTA campaign continues in 2004

Last week a Hawker Britton UMR poll showed that 44 % would oppose, and only 35% support a USFTA if it reduced local content in film and television (**AAP** 13/1 04). The Australian Services Roundtable industry group also said the USFTA could lead to job losses in the Australian

services sector because the US is pursuing "very aggressive" objectives on services (**Sydney Morning Herald** 6/1/04).

A new website asks you to register your opposition to the USFTA online at <http://www.nofta.org> by 31 January 2004.

The last round of negotiations is now taking place. US Trade Representative Zoellick and Trade Minister Vaile will meet next weekend to sort out difficult issues. If they do not agree, Bush and Howard will attempt to sort them out. This process could extend into February.

If agreement is reached, the Government will make a commitment to sign it and it will go to Cabinet. Cabinet will make the final decision. However the agreement will also be tabled (but not debated or voted on) in Parliament in March and will go the Joint Standing Committee on Treaties (JSCOT) for Inquiry in March and April. This committee can only make a recommendation to Cabinet but it is an opportunity for further campaigning.

AFTINET will demand that the JSCOT hold public hearings. It will be important to get a large number of submission and to use public hearings as opportunities for media and public campaigning, as we did with the Senate Inquiry.

After Cabinet ratification, some implementation legislation may then go to the parliament in May. We will also campaign against the implementation legislation if required. The legislation will include tariff changes and anything else that requires specific legislative change.

The US process is longer and much less certain, as the whole agreement goes to the Congress and the sugar, dairy and beef lobbies are campaigning against additional imports. This vote needs ninety days notice so will not occur until May or June.

### **3. US Trade Representative Zoellick drops two New WTO issues in bid to revive talks in 2004**

Robert B. Zoellick, the United States trade representative, has sent letters to more than 140 countries calling for WTO talks to resume and for another Ministerial Meeting to be held in Hong Kong before the end of 2004. The WTO has stalled since the Cancun Ministerial Meeting in September 2003, when developing countries refused new WTO agreements on Investment, Competition Policy and Government Procurement and demanded clear reductions in US and EU agricultural export subsidies.

After Cancun, Mr. Zoellick accused developing nations of being "won't do" nations and said the US would only deal with "can do" nations. The letter is a slight step back from this aggressive position.

According to a **New York Times** article of January 6, "Mr. Zoellick is facing criticism that his trading strategy was faltering. He missed the deadlines for bilateral trade agreements with Australia and Morocco last month. He scaled back his ambitions for a free trade area for the Americas. And in the trade agreement with four Central American countries, his one new first trade pact of the year, Mr. Zoellick fell short of his goal of including Costa Rica, the richest nation of the group of five nations"

The letter suggests that proposals for new agreements on Investment and Competition Policy be dropped and that there be voluntary exploratory discussions only on government procurement and trade facilitation.

The letter calls for the talks to focus on market access in agriculture, trade in goods and trade in services