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Media release

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Allies fall out over issue that never was

Claims by the Bush Administration that Labor-inspired laws to protect drug prices under the PBS jeopardize the US-Australia Free Trade Agreement suggest that the deal could now collapse over an issue that was “not on the table”.

“Trade Minister Mark Vaile dismissed the Australia Institute’s call to remove the Pharmaceutical Benefits Scheme from the US-Australia free trade agreement negotiations saying the Americans have already stated they are not going after the PBS. ‘You can’t get it any clearer than that and that came from the American side, not our side,’ said Minister Vaile.” *ABC Radio*, May 19, 2003

“A spokesperson for Trade Minister Mark Vaile said the Government was committed to the (PBS) scheme and that the US had so far not requested for any changes to be made to it.” *Sunday Telegraph* August 3 2003, p. 2

Senator Campbell: “The Prime Minister and the Minister for Trade have both made it very clear that the PBS is not on the table. ... I should also add that the United States has made no proposals to Australia regarding the PBS.” Senate Hansard, 2 December 2003, p. 18638

After the event, both Australia’s chief negotiator and the Prime Minister exposed the lie:

Steven Deady admitted to the Senate Committee into the FTA that ‘discussions’ on the PBS commenced in the first round of negotiations in March 2003. Transcript of Evidence, 21 June 2004, p.23

JOHN HOWARD: The Americans pushed very hard for measures that would have limited our capacity to extend the availability of generic pharmaceuticals, which is a very important element of the Pharmaceutical Benefits Scheme, and during the last weekend of the negotiations, they almost came unstuck because we would not agree to what the Americans wanted. *The World Today*, ABC, Thursday, 20 May, 2004