

Herald Sun

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Herald Sun

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Australia over AWB's export monopoly, threatening to scuttle a global

Minister Warren Truss the 68-year-old monopoly must go in the current Doha round of World Trade Organisation negotiations.

WTO members have revived the current moribund negotiations, with a final deal facing a strict mid-year deadline if it is to have any hope of making it through the US Congress.

But as the US gets tough, Australia has hit back with criticisms of its billions of dollars worth of domestic farm subsidies.

Mr Truss, who held talks with Mr Johanns in Washington overnight, told the US it was in no position to accuse Australia of trade distorting practices.

"The Australian government will be encouraging the US Congress to adopt proposals which significantly reform agriculture in the United States," he said.

"You have many of the world's most advanced and efficient farmers (and) I've got no doubt that they've got a capacity to compete effectively in world markets without taxpayer support."

But Mr Johanns made it clear the US would not back away from its push to scrap the monopoly held by AWB and its predecessors since 1939.

"My view is at some point, in order for the Doha round to be successful, everybody's going to have to figure out what they can give on, what they can put on the table," he told reporters.

"And I think single desk monopolies are a part of that discussion."

Mr Johanns' comments come as the Howard government considers how to overhaul the single desk following the kickbacks scandal, which saw AWB make \$290 million in illicit payments to the former Iraqi regime of Saddam Hussein.

But Mr Truss - deputy leader of the Nationals which is a strong supporter of the single desk - again insisted the monopoly system did not distort world trade.

"The Australian government has always maintained that the AWB does not provide trade distorting benefits to Australian wheat farmers - that's a point of long standing difference between Australia and the US," he said.

"Our AWB is different from the Canadian board, its powers are different and where it operates are significantly different."

Nationals Senate leader Ron Boswell, who believes wheat growers overwhelmingly want to retain the single desk, urged them to present a united position.

"The fact that the USA is now pressuring Australia to scrap the wheat single desk as part of international trade talks, while continuing their \$25 billion farm subsidies scheme, is all the more reason that farmers must speak with one voice on this vital issue," he said.

Opposition Leader Kevin Rudd has vowed to continue supporting the single desk for the time being.

"Labor's position has been to support the single desk until such time as we are presented with overwhelming evidence from the industry as to a better economic way of selling our wheat on the international market," Mr Rudd said.

Under international trade rules, the AWB-held single desk is considered a State Trading Enterprise (STE) that distorts world trade, along with the Canadian Wheat Board (CWB).

The Canadian government has already begun the slow process of dismantling the CWB monopoly, while the Howard government is set to decide on the future of the single desk by the end of June.

AAP

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