

28 JUNE 1977

PRIME MINISTER

.. some of the more important parts of the visit as I see it. The visit started with the rather lengthy Commonwealth Heads of Government meeting and that did provide a very useful opportunity to get to know and to meet at first hand a number of leaders in the Commonwealth whom I otherwise would not have had an opportunity to see. But two or three things came out of that meeting and there was as you know the outright condemnation of Uganda overwhelmingly by the Commonwealth and I think it is the first time that the Commonwealth has acted in that way. I believe, and other Heads of Government believe that it was very important for the credibility of the Commonwealth to speak in a very forthright way about the atrocities in Uganda, and that in fact occurred. The Commonwealth expressed an urgency about moving to majority rule in Zimbabwe, Rhodesia, and I believe there is an urgency about this. Prime Minister Callaghan spoke in terms of Zimbabwe being seated at the next Commonwealth Heads of Government meeting, and that would be in a little less than two years time. Any policy that in 1977 tends to perpetuate a racist supremacy, of a minority over a majority is a policy doomed to failure, and if it persists, doomed to disaster. Now these are not new views. Some people have tended to suggest that so far as the Liberal Party is concerned or my Government is concerned, that it is a new view. In fact, apartheid was condemned by Sir Robert Menzies in very forthright terms in the Australian Parliament in 1960 or 1961. But the fact that policies in Rhodesia have continued in all the years since then make it I think all the more necessary that there be an early change to majority rule. You have a situation in which whichever persists more and more people will turn to a violent solution. That will tend to leave scars on Africa in relations between many countries that can be avoided if a negotiated settlement is reached. Now I think there are some things which are pressing more towards a negotiated settlement than in the past. Not only the firmness of view of the Commonwealth but the support that President Carter is offering towards the same objective, and the thrust towards human rights which he has initiated, and I believe that these things give many people in Africa and in the Commonwealth a greater hope that there will be a sensible negotiated settlement in Zimbabwe.

The other major matter that came out of the Commonwealth was the considerable discussion of what has come to be called a Common Fund, but that is two words for what would be rather complex arrangements to try and achieve stability in the marketing of commodities of developing countries. We have known in Australia how in the past our own economy would have been disrupted because of violent changes in the prices of wool and the prices of wheat or meat, and we have sought to get commodity arrangements to stabilise these particular matters. Now many of the developing countries are dependent very much on one or two commodities. Their prices fluctuate greatly. They need more stable prices and reasonable prices that terms of trade do not continually move against them. As a result of an initiative that Australia took, the Commonwealth is establishing a technical working group to try and define to a greater extent what is possible in pursuing arrangements for stability in the marketing of commodities from the developing world.

In the United States, there was I believe a very useful and constructive meeting with President Carter. There was a very full and free exchange of views on many matters affecting the Western Pacific and the Indian Ocean. We have the forthright assurance that we will be kept very fully informed of the progress of discussion affecting the Indian Ocean, and certainly consulted if it gets to the stage of coming to any agreement with the Soviets. But I think, going beyond bilateral matters between Australia and the United States, we have got to a situation where the general thrust of President Carter's policies are giving life and hope to free peoples around the world. Very often, or in many years, in recent times, democracies have tended to be on the defensive, reacting to what has happened; but really when we know what we stand for and what we believe in, democracies should not be on the defensive and the democratic idea of free peoples governing themselves should be proclaimed. I believe that President Carter's thrust towards human rights, greater attempts to provide sensible arrangements for trading with the third world, about which I have been speaking, the Common Fund, the drive towards making sure that there will not be nuclear proliferation - are policies to be applauded and in these areas put the democracies very much on the offensive, and I think that is a good thing, and I believe there is much merit in the policies that he is pursuing. I think there is a similarity in objective in many areas, especially in the area of trying to seek the arrangements that will do most to avoid nuclear proliferation between the United States and Australia.

In Europe there were extensive discussions with a significant number of Commissioners from the European Community, as well as with Britain, France, Germany and Belgium, and their discussions centered on the economic relationships, not only between Australia and the Community, but also between Australia and the individual national countries and governments. It has been agreed that there should be full and wide-ranging talks on trade and commercial matters between ourselves and the Community in a way that has not occurred in the past, with the objective of coming to solutions. Similar discussions will be held with both France and with Germany, and I would be hopeful that we will make some progress in matters which are of importance to us.

Sometimes in Australia we are accused of being protectionist in the policies we pursue in relation to manufactured goods. But I think it needs to be understood in context. We are a relatively small market, of 14 million people. Europe is a large market of 260 million people. For that reason alone I think we are lucky to need higher levels of protection than would be the case in Europe. But even in spite of that, our tariffs have been lowered, and there is considerable access into our market, even though industries have at times suffered quite severely, especially over the last two or three years. But what happens to the European Community? They want lower and lower protection in the things which they sell, but if there comes a time in which they do not produce so well, if any of their industries tend to get hurt in any way, they try to introduce, or tend to introduce, protective measures of a very severe kind indeed, and very often measures that exclude trade completely. Now in the past they had got away with this because the exclusions tended to be in the agricultural area, and people tended to accept that agriculture was a special case which gave them special rights to have that kind of protectionist policy. But in recent times we have seen the exclusion of a number of goods from Japan and we have seen the decisions to reduce imports of steel from Japan and South Africa by 50% and a decision to try to reduce imports of steel from Australia by 25%, and I really thought it was stretching it too far when they

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said that BHP Australia was an unfair competitor in steel. Well I am reasonably optimistic that those cuts in BHP's exports will not actually be applied, but there will be many hard discussions in the future. On another matter also relating to trade, European countries were eager to know what our position was in relation to uranium, and I stressed that we would be making final decisions about that after our return to Australia. But we discussed the matter of safeguards, and we discussed the possibility of dealing either with the Community or with national governments. There is an interesting situation developing because the Community, if we export, would want us to deal with them. National governments, if we export, would want us to deal quite directly with national governments. But any discussion in that area was completely contingent on whatever decision Australia might make on the major question.

I think that has probably given enough to open it up for questions. I have tried to give an over-view of the nature of the discussions and what was involved in the discussions in the different areas.

QUESTION

How many countries Mr. Fraser seem to want our uranium?

PRIME MINISTER

Certainly European countries do. United States I think basically has sufficient resources of her own. But our officials at the moment are trying to undertake an assessment of what the likely demand might be against the background of a known stated safeguards policy. It is not impossible that some countries that would otherwise have wanted uranium, when they see the nature of the safeguards policy might say 'no, we are not prepared to enter into those commitments' and officials are overseas at this moment in making an assessment against the background of Australia's safeguards policy, which is a very strict one indeed.

QUESTION

What were you able to tell them?

PRIME MINISTER

In relation to what?

QUESTION

To uranium. How many countries would want to buy uranium?

PRIME MINISTER

Every country I visited would be interested in purchasing Australian uranium. There is no doubt about that.

QUESTION

Are you satisfied about the safeguards that exist in Europe?

/PRIME MINISTER

PRIME MINISTER

I am satisfied about the nature of our safeguards. But we would certainly - part of that policy is to have a bilateral treaty with individual countries, and there could be some hard negotiating in relation to that. Now there is a team of experts overseas at the moment explaining our safeguards policy, getting the reaction of European countries, Common Market countries in particular, in relation to it; and their reactions will be one of the things that the Government will have in mind when it does make a final decision on whether to export or not.

QUESTION

It is suggested that you might be able to make a decision by August. Is that too soon?

PRIME MINISTER

No, I cannot see why we should not even make a decision before that. It will depend to some extent how much processing has gone on in the last three or four weeks in Australia while I have been away, of the nature of the environmental enquiries.

QUESTION

How badly do these countries want it. Was it the primary topic of discussion when it came to matters of trade?

PRIME MINISTER

It was the most important topic from their point of view, because many of these countries are countries without a basic energy source, and this does need to be understood. It is hard for Australia; it has a degree of self-sufficiency in oil, a real self-sufficiency in coal and uranium, and natural gas, to understand the need, the very real concern of the countries of Europe which have not got a basic energy source of their own. They have to import their energy source. They were given a great shock as a result of the oil countries decisions of a year or two back, and it is understandable from their point of view - let me emphasise, from their point of view - that they would want to have long term, secure, supplies of energy so that the lights in their homes can keep burning, so that their factories can keep operating, so that their people can be employed. From their point of view, from the point of view of many European countries, getting access to reliable, reasonable sources of energy, is a matter of the greatest possible importance.

QUESTION

Will you be able to use that then as a lever to get access for our other goods into the Common Market?

PRIME MINISTER

I think that is the wrong way of putting it. What I have stressed to the Europeans is that while I could understand their desire and concern for stability of access of an energy source, surely they could understand our desire and concern for stability in access to markets. Stability in trade is something that goes both ways. Stability is a principle that I think is

very important indeed. But it ought not just to apply to one part of the trade, to trade in one direction. It ought to apply to goods that we supply, access to markets - it is a two-way business. We have been stressing stability for trade in Japan, when beef supplies were cut off, then resurrected again. It is disruptive to relations between countries, disruptive to producers and to consumers, if there are sudden changes in attitudes or decisions by governments. I believe that in the discussions which will take place within the next two to three to four months, that we will be able to gain a great deal of recognition for the need for stability in trade and access. Now, I do not know how far that will go. But I was encouraged to believe that once one or two European countries understood that we were not threatening the basis and the principles of the Common Agricultural Policy for example - once it was understood that we could point to areas at the margin which if modified would make a substantial difference from our point of view and from the point of view of traders outside Europe, then there seemed to be a greater willingness to consult and to come, hopefully, to a reasonable solution.

QUESTION

There would not be any question though of you withholding uranium if they did not agree to what we wanted in terms of access for our other goods?

PRIME MINISTER

I think that when you are having trade negotiations with a country, it is appropriate that those negotiations march forward as a whole; and I believe that Europeans understand this.

QUESTION

It sounds as though the argument these countries put up in favour of uranium exports was fairly persuasive. Would you say that you have returned personally committed to the fact that these exports should take place?

PRIME MINISTER

This is not anything new - what I have said about Europe's need for an energy source. I did not learn that on this visit. That is known. But it is something that they stressed, and I was emphasising how important they regard it from their point of view. This is something that is known. The other point of course which is important in relation to uranium, that with limited access to uranium, European countries are much more likely to go in for large scale reprocessing into the plutonium economy as it is called. That is getting much nearer a use of nuclear power which makes it harder to make sure that proliferation does not take place, makes it harder to control because it is getting nearer the edge of military technology. Now with a larger supply of the basic material so that you do not need to go into reprocessing, do not need to get so close to the plutonium economy, there is a greater chance of (inaudible) international safeguards, at least until more is known about the second stage of nuclear power for peaceful purposes development. From that point of view, from the point of view of those who would want President Carter's non-proliferation policies to succeed, they would regard an adequate supply of uranium, of enriched uranium, as a matter of major importance. Now all of these matters Australia will have to take into account.

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QUESTION

As a result of your trip Mr. Fraser, how important do you think uranium export is for Australia rather than for Europe?

PRIME MINISTER

Any country that is rich in natural resources as Australia is - and I am not just talking about uranium in this context - has some international obligations to be a reliable and stable supplier of raw materials. Compare our circumstances with the circumstances of a country such as Japan that relies pre-eminently on the energy initiative and creativity of her own people, but with very few, if any, natural resources of the kind that we have got. There is an international obligation on a country such as Australia. I do not want to put it higher than that. I do not want to be specific in relation to one particular commodity at the moment.

QUESTION

... said last weekend that within a decade uranium would be Australia's most important export. Do you agree with that?

PRIME MINISTER

We have not yet made a decision have we?

QUESTION

Mr. Fraser, to turn to the question of your policy on Southern Africa, can you tell me if your Government supports the principle of one person, one vote - that is, majority rule in South Africa itself, and if so what steps do you think your Government will take towards implementing this policy and in particular in working towards the dismantling of apartheid?

PRIME MINISTER

My Government has condemned apartheid in full and I think very strong terms, as did Sir Robert Menzies in 1960/1961 in the Parliament, and people often forget this. But the words he used against apartheid were strong indeed. We support the general position that the Commonwealth has taken in relation to that. It does not go beyond that at this moment.

QUESTION

This is the first time that you have used the name Zimbabwe. Can you tell us why you...?

PRIME MINISTER

No, it is not the first time I have used it. I have used it many times.

QUESTION

In Australia?

PRIME MINISTER

Yes, in Australia. And outside.

/QUESTION

QUESTION

Mr. Fraser, the Nigerian Government has just set up a Southern Africa Relief Fund. Do you think your Government will be contributing towards this, to the aid of those who are suffering from apartheid?

PRIME MINISTER

The which Government?

QUESTION

The Nigerian Government.

PRIME MINISTER

The Nigerian Government did propose some interesting initiatives in the Commonwealth Conference. What they were proposing was something which would allow private citizens to contribute as well as contributions by Governments. As you know Australia did announce substantial increases in food aid and Commonwealth Technical Fund - substantial increases to that - and a number of Governments, including Australia, said that the Nigerian proposal would be considered in our own context. Again I cannot take it further than that.

QUESTION

You are being described here as the white knight of black Africa. How do you react to that?

PRIME MINISTER

I do not react at all.

QUESTION

Sir, could you tell us what your assessment is of the Soviet threat in the Indian Ocean following your talks in Hawaii?

PRIME MINISTER

I do not think the talks in Hawaii added anything to the talks I had in Brussels, or the talks that I had in Washington. It remains very much as it was. There is a capacity of the Soviet Union to reach into almost any corner of the world that it wishes to. The NATO Foreign Ministers and the NATO Defence Ministers have drawn attention to this in nearly every communique in the last several years, and what is often not understood is that our concern in relation to the Indian Ocean has only been an extension of a global situation coming from the fact that the Soviets spend 13-14-15% of their gross national product on defence each year.

QUESTION

(first part of question inaudible).. to improve Australia's prospects for rural products in particular in the EEC countries at all?

/PRIME MINISTER

PRIME MINISTER

I think it is too early to say that at this point. But quite certainly the discussions that will be taking place with the EEC, with Belgium, France and Germany, will be involving rural products very substantially, and there is also an agreement to work with the British Government that has its own problems with some aspects of the Common Agricultural Policy. It needs to be understood that it is not only access into Europe that is important because if they as a result of their internal subsidies get a surplus of - it might be flour - they say, well where is a market for flour, that might be Sri Lanka, they say how much subsidy is needed to unload our flour into Sri Lanka, and this often disrupts the long-term and traditional markets of countries such as Australia, and Australia is not the only government that is affected in this way. So it is the policy - they use the term restitutions - probably they think it is a nicer term than subsidy, policy of restitutions getting rid of surplus commodity into markets outside Europe that also causes significant damage from time to time to exports of our agricultural commodities. Now, that also is a policy that needs examining, and it will be.

QUESTION

What was your reaction to Jimmy Carter calling you John?

PRIME MINISTER

No reaction at all.

QUESTION

Were you embarrassed at all by it?

PRIME MINISTER

Good heavens no.

QUESTION

Did you feel it was a gaff on his part?

PRIME MINISTER

I think I have been called many worse things than that.

QUESTION

Are you concerned that the stand you have taken in relation to Africa, in relation to Southern Africa, may help strengthen the Soviet Union position in the Indian Ocean?

PRIME MINISTER

No. If anyone came to that conclusion they completely and utterly misunderstand the position. Because if people believe in a negotiated settlement in Zimbabwe, there is an obligation then to make a negotiated settlement work. Now that is where the commitment of the British Government for Zimbabwe to be seated before the next Commonwealth Heads of Government meeting is important. That is where President Carter's commitment to human rights and to supporting the British in relation to Zimbabwe or Rhodesia if you prefer it, is also important. But the longer a negotiated settlement is delayed the

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more people will turn to violence as the only means of solution of a problem that is an affront to human decency - the supremacy of one race over another merely on the basis of colour. Therefore if one wants a settled and reasonable solution to these matters the sooner there is a negotiated solution the better. If one was concerned with Soviet intrusion into Africa, one would want to press all the more for an early solution because the longer the present situation continues, the more opportunity there will be for people with other influences and other ideologies to gain support and sway out of a thoroughly unreasonable situation that now exists.

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