



PRIME MINISTER

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ADDRESS TO THE NATION

On Tuesday I will be leaving for Japan to hold discussions with the Japanese Prime Minister, Mr. Fukuda. These discussions will be of significance for Australia and tonight I wanted to tell you something about them.

The discussions won't be about the bilateral matters between Japan and Australia. Mr. Anthony discussed these last month in great detail and indeed, a team of Japanese ministers will be here in a little while for further discussions with the Australian Government.

The Japanese Prime Minister and myself will be discussing matters of wider importance; the world economy and trade. Some current trends in the world economy are indeed disturbing. Last year factories, industries and mines produced much less than they were capable of producing. Although production did increase, it didn't increase anything like enough to create new jobs for all the young people entering the work force. As a result of that, unemployment remains much too high, especially amongst the young.

A number of countries, including Australia, have had marked success in getting inflation down but inflation also remains much too high.

Furthermore, we have a situation in which there have been marked changes in international currency values, especially of the United States dollar. Against that total background, a number of countries have reacted by increasing trade barriers to protect their own producers and that hurts the exports from other countries.

World leaders are concerned about these problems and have been stressing the need to find solutions. Over the next few months the world trading countries will be taking part in formal discussions and negotiations designed to increase world trade; designed to get national economies growing faster. It's vital that these discussions and negotiations be successful because if they are not there will only be increasing bitterness and increasing disillusionment as countries fight for a larger share of existing world markets.

In the preliminary sessions that have already been held very little progress has in fact been made and that's why I am concerned -- and the signs are that unless there is a major change of heart on the part of a number of countries the formal negotiations may fare little better. That's why discussions are urgently required between world leaders; to probe new ideas; to make sure that every avenue is explored that might lead to a solution. That's why I am going to talk with the Japanese Prime Minister.

A little later, in the Caribbean, a selected group of countries, including Australia, will be meeting to discuss the same matters to get the negotiations moving forward in a constructive way and later still there will be further discussions amongst other world leaders in the United States and in Europe.

All of these meetings, and the actions that major countries take as a result of them, will be very important for Australia because we depend so much on international trade. We are so much affected by changes in international trade.

Naturally, our own fight to overcome our economic problems will be made that much easier if there is sustained and lasting international economic recovery enabling us to sell substantially more of our own produce to the markets of the world. That will establish the circumstances in which our factories, our farms and our mines can create more jobs for more Australians.

Accordingly, Australia is taking every opportunity to promote her own views responsibly and constructively in these major international forums. In particular, we are looking at the position of less developed countries because with their huge populations crying out for more food, for better roads, for more hospitals and schools, they have a very significant role to play in any sustained and lasting world recovery.

I am hopeful that the series of informal, vital discussions now beginning will help to create a new momentum, a new commitment to increasing world trade and restoring sound economic growth. There will be no quick and dramatic results because there are no simple and easy solutions, but solutions must be found and we will be doing everything we can to help find them.

1978 is a critical year in deciding how quickly the world economy can return to the growth and stability that we enjoyed in the past, because the decisions made this year can well set the pattern for the next ten. With so much at stake, Australia must be involved and we will be applying ourselves to these problems with vigour and determination. I know that I will have your support in this task which is so important to all of us.

Goodnight.
