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**PRIME MINISTER**

FOR MEDIA

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EXPORT CONTROLS

The Government has decided that it will propose to the States that a consultative mechanism be established between the Commonwealth and State Governments on export controls. This was decided in Cabinet discussions in Melbourne last week and confirmed by Cabinet in Perth today.

Both the Commonwealth and State Governments have significant interests in minerals. Hence it is important that Commonwealth and State powers in this area be used in concert to maximise the benefits from new initiatives and existing activity in major resource developments.

There are differences of view between the Commonwealth and some States about the extent to which the Commonwealth's powers should be used. The discussions with State Governments, which I hope can be held soon, should do much to resolve any outstanding differences.

There is no challenge either to the Commonwealth's constitutional authority in export controls or that they should be exercised in certain circumstances for there can be important national interests at stake. From time to time the Commonwealth's export controls have been used to advantage at the request of State Governments.

Continuing Commonwealth/State consultative arrangements, such as proposed, require a sound basis of factual information and knowledge of proposed developments if they are to work successfully.

The Government will also be talking to the States about the extent of involvement of individual industry groups and companies. There needs to be a total national approach to any use of the export powers.

The Government is not looking to control all mineral exports. Action has already been initiated to remove many mineral items from export control.

The discussions with the States will explore all aspects of the matter, fully and without prejudice, in the interests of ensuring a genuine consideration of the bases of existing policies. Major iron ore negotiations have recently been concluded and the exercise

of the guidelines is not now an immediate matter for the iron ore industry. For other minerals, namely bauxite, alumina and coal, the present guidelines will be maintained until the discussions are concluded. The future exercise of the Commonwealth's powers will depend on the outcome of these discussions.

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