



## PRIME MINISTER

FOR PRESS

10. FEBRUARY 1977

EMBARGO: 10.00 p.m. CANBERRA TIME

ADDRESS AT RETURN DINNER GIVEN BY PRIME MINISTER, PORT MORESBY

It is indeed an honour for me to be the first Australian Prime Minister to visit Papua New Guinea since your independence celebrations seventeen months ago.

Although I have visited Papua New Guinea on three previous occasions, this extended visit has enabled me not only to have substantive and valuable discussions with you, Mr Prime Minister, your colleagues, and the Leader of the Opposition, but has also allowed my wife and me to see more of your exciting and beautiful country.

The links between Papua New Guinea and Australia are many and varied, and since independence a range of complex agreements and arrangements have been negotiated amicably and successfully.

These do not depend solely on the actions of Government to sustain them. They are above all personal links based on a close understanding of each other over many years. They reach into every corner of our two societies.

We have a relationship which is soundly based and which looks confidently towards the future.

The strength of our relationship allows us to discuss issues in a straight-forward way and to find mutually satisfactory solutions.

The continuation of this plain and open approach, which to date has marked all our discussions and negotiations, is essential if our relationship is to be further strengthened.

It is in this spirit that negotiations on Torres Strait will continue during the coming months.

It is our desire and I know it is your desire, Mr Prime Minister, that a mutually satisfactory settlement be concluded.

Mr Prime Minister, since coming to office, my Government has given high priority to laying a solid basis for this new era of our relationship.

We have reaffirmed the importance of a close relationship between Australia and Papua New Guinea.

We have reaffirmed the pledge of successive Australian Governments to give the highest priority to assistance to Papua New Guinea. Indeed, we have improved on it. The aid agreement which you and I announced during your visit to Australia last March, was a long term Australian commitment for a guaranteed minimum level of aid each year for five years.

As you have told us, this agreement has made a substantial contribution to Papua New Guinea's ability to make its own decisions, to define its own policies and order its own priorities as an independent nation.

Both Papua New Guinea and Australia live in a world where there are many tensions, divisions and problems. Both our nations seek to contribute to the resolution of these issues.

Among the most important of them is the relationship between developed and developing nations and the economic gap between rich and poor countries. Mr Prime Minister, we have discussed these matters in the last few days. We agreed, that the need to bridge the gap between the developed and developing nations is pressing. Phrases such as - the north/south dialogue, the new international economic order - have been coined to capture the imagination of men and build a greater commitment to come to grips with the problem, precisely because such phrases can win people's loyalties and commitments. The words must be given a meaning which can be translated into reality.

Otherwise, the idealism which they enlist will be dissipated. Unrealistic expectations will be created which, in the longer run, will produce a disenchantment and frustration.

There is a need for change in policies between nations, sometimes for significant change. To the extent that the call for a new international economic order is a call for practical and viable change in economic policies affecting the international economic system, it should have the support of all nations.

But if the call is for a total change of our international system, the result will be misdirected energies, and unrealistic expectations - we will not be coming to grips with the real problems.

Australia believes that making improvements within the essential framework of the existing international economic system holds out the greatest hope for the economic progress of all nations. Present international economic problems are not caused by the system itself, but by some of the policies nations pursue within the system - it is these that should be changed, not the system.

One of the major problems facing developing nations is that of getting secure access to markets of the developed world. You have had particular problems in gaining access for your timber products. We also have had difficulties in gaining access for some of our products. Importing countries need to understand

that there must be continuity of trade both ways. We have been pressing this view bilaterally and multilaterally. We will be pressing it at CHOGM.

Australia has long supported the idea of commodity agreements to provide exporters with fair prices and reliable markets and importers with secure supplies.

Another serious problem is the growing debt burden of the developing nations. For years Australia has stated that aid to developing countries should be provided in ways which avoid adding to their debt burden. Our aid to Papua New Guinea is grant form, and untied. Governments that purport to give aid but do so in the form of tied loans are in reality providing an indirect subsidy to their own industries.

If all the developed countries had followed the lead provided by the Australia/Papua New Guinea relationship the enormous third world debt burden would not have emerged. If our lead were followed now, the magnitude of the debt problem would be substantially diminished.

Australia and Papua New Guinea are members of the Commonwealth and Mr Somare and I will soon be attending the Commonwealth Heads of Government Meeting in London. The Commonwealth of Nations is important, and this Meeting will seek to come to grips with the major issues of the world today. For too long some people have regarded the Commonwealth as an appendage from a past era. They have neglected the fact that it is a multi-racial association which can contribute significantly to international affairs.

The Commonwealth is a unique institution in which a diversity of nations of different social, cultural and economic backgrounds can meet together in an open, constructive and sympathetic climate.

Unlike the United Nations the Commonwealth is smaller and more intimate. The superpowers are not members and the rivalries they engender are more distant. Nowhere else, not even in the United Nations, do some 30 Heads of Government take time from their normal pressing duties to spend a week or so together discussing the problems facing the world.

The Commonwealth is a microcosm of the international community. It should be used to make a real contribution to resolving the problems we face.

Australia regards the matters to be raised in London as so important that we are establishing a task force composed of all relevant departments to examine the issues and to advise on how we may most effectively approach them. Moreover, Australia has deliberately begun a process of consultations with Commonwealth leaders in our region.

We have spoken with Mr Lee Kuan Yew and now with you, Mr Prime Minister.

I have invited the Prime Ministers of Fiji, New Zealand, Tonga and Western Samoa to visit Australia for an exchange of views prior to the Commonwealth Heads of Government Meeting. Mr Peacock will be discussing these matters with Malaysian leaders when he visits Malaysia in April.

We in Australia want the benefit of all your views before we finalise our own. One of the major issues discussed at CHOGM will be the developments in Africa. The political difficulties in this area derive from the continuing attempt of one race to subordinate another. We have repeatedly said that the only way to resolve the Rhodesian problem is by a significant and early move to majority rule. We regret that Mr Smith has rejected the British proposals. So far as South Africa is concerned, Australia has stated its views on the policy of apartheid many times. It is a system which cannot and will not work.

Both Australia and Papua New Guinea are strongly opposed to apartheid, and any other form of racism. Our two nations have many interests in common.

In the Pacific region we both support the idea of increased regional cooperation and we are both members of the South Pacific Forum. We share a common desire that the aspirations of island nations, in political and economic areas, can be achieved. Much has been done already but I am confident that there is scope for further initiatives towards cooperation between the peoples of the region.

In South East Asia, both our governments attach priority to our relations with the ASEAN countries. We both support the basic objective of those countries, in excluding great power rivalry from the region.

Mr Prime Minister, although my stay in your country has not been long, it has enabled me to see at first hand some of the many changes which are now taking place here. Your desire for the new to be balanced by a respect for the past, for tradition and cultural heritage, has been particularly impressive.

It is this delicate but vital balance between innovation and traditional values which will provide an important sense of continuity and stability.

I would like to pay a tribute to the great progress Papua New Guinea has made in the early days of your independence. Above all, you are developing your sense of nationhood and pride in your achievements as a people.

Papua New Guinea has made a reality of its independence and its future is in the hands of its own people. In a world where conflict and tensions remain the order of the day, our relationship is proof that two nations of vastly different social and economic backgrounds can live as close to each other as we do without stultifying one another's separate identity and aspirations.

Mr Prime Minister, thank you for having invited me to visit Papua New Guinea. I have found our discussions both stimulating and valuable. The hospitality my wife and I and all those with me have received has been quite overwhelming.

On their behalf, and on my own behalf, Mr Prime Minister. I thank you and your colleagues, and the many other people who have been involved in making this visit so interesting and enjoyable.

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