



PRIME MINISTER

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JOINT COMMUNIQUE ISSUED BY THE PRIME MINISTERS OF AUSTRALIA AND PAPUA NEW GUINEA ON 11 FEBRUARY 1977 IN PROT MORESBY

At the invitation of the Prime Minister of Papua New Guinea, the Rt. Hon. M.T. Somare, the Rt. Hon. Malcolm Fraser, accompanied by Mrs Fraser, paid an official visit to Papua New Guinea for a period of four days from 7-11 February 1977.

The Hon. Andrew Peacock, Minister for Foreign Affairs, also accompanied Mr Fraser throughout the visit. Mr Fraser visited Port Moresby, Lae, Wewak, Vanimo, Mount Hagen and Daru. Mr Fraser expressed his disappointment that weather conditions had prevented his visiting Mendi as planned.

Mr Fraser paid courtesy calls on His Excellency the Governor-General, Sir John Guise, and the Speaker of the National Parliament, the Hon. Mr Barry Holloway. He also had discussions with the Leader of the Opposition, Sir Tei Abal.

Mr Somare extended a warm welcome to Mr Fraser and his party on the first official visit to Papua New Guinea of an Australian Prime Minister.

The two Prime Ministers exchanged views on the domestic situation in their two countries. Mr Fraser expressed support for the purposeful and progressive policies which the Government of Papua New Guinea had pursued since coming to office in 1972. Mr Somare took note of Mr Fraser's account of recent economic and other developments in Australia. He expressed understanding of the Australian Government's determination to overcome the problems of unemployment and inflation.

During the visit, Mr Fraser had extensive and wide-ranging discussions on issues of international, regional and bilateral concern to both countries with Mr Somare, the Hon. Sir Maori Kiki, Deputy Prime Minister, Minister for Defence, and Minister for Foreign Affairs and Trade, the Hon. Mr Julius Chao, Minister for Finance, the Hon. Mr Ebia Olewale, Minister for Justice and other Papua New Guinea Ministers.

International and Regional Matters

Mr Somare explained to Mr Fraser Papua New Guinea's universalist foreign policy which called for friendly relations with all countries except those which practise social or racial policies unacceptable to Papua New Guinea. Mr Fraser said that

the Australian Government sought to deal with international problems in a realistic way and to work with others in finding practical solutions as they arose. The two Prime Ministers noted the wide range of common interests of their two countries. They appreciated that, while there would be some difference of emphasis on certain aspects of foreign policy, this would not prevent close cooperation between Australia and Papua New Guinea on international matters.

The two Prime Ministers discussed and noted developments of mutual interest in the world. They agreed on the importance to world peace of the maintenance of the global balance between the super powers, and expressed their strong opposition to the proliferation of nuclear weapons. They welcomed the importance placed by the President of the United States, Mr Carter, on nuclear disarmament, especially his desire to proceed quickly towards a comprehensive test ban treaty and to achieve further progress in the limitation of strategic arms. Mr Fraser informed Mr Somare that Australia intended to cooperate to the fullest extent possible with other uranium producing countries in the most stringent application of safeguards on the export of uranium and that he had already written to the President of the United States about this matter.

The two Prime Ministers agreed that the Pacific and Indian Oceans were very important areas of political and strategic concern to both Australia and Papua New Guinea. Mr Somare reaffirmed his view that both oceans should be zones of the true peace and neutrality. He also reaffirmed his support for the United Nations declaration of the Indian Ocean as a zone of peace. Mr Fraser said that pending the achievement of this objective with which Australia has sympathy, there should be a balance of forces between the great powers in the Indian Ocean at as low a level as possible. He also expressed the firm view that it is not in the interests of the region that any great power should dominate the Indian Ocean.

Both Prime Ministers agreed to work closely with countries within the South Pacific and South East Asia to develop closer cooperation and mutual understanding particularly through the South Pacific Forum and the Association of South East Asian Nations (A.S.E.A.N.)

Both Prime Ministers expressed their countries' commitment to the South Pacific region and reaffirmed their intention to continue efforts to strengthen regional cooperation through such organisations as the South Pacific Forum, the South Pacific Bureau for Economic Cooperation (S.P.E.C.) and the South Pacific Commission. They agreed that these organisations had a significant part to play in the development of the region and expressed the hope that the role and responsibilities of S.P.E.C. should be expanded to make it an even more effective arm of the Forum.

Mr Somare commended the Australian Government for its positive contribution to the economic progress of the South Pacific Island nations.

The two Prime Ministers stressed that Australia and Papua New Guinea had a common interest in close cooperation between their two countries and the countries of South East Asia. Both Prime Ministers acknowledged the importance of South East Asia for the security of Australia and Papua New Guinea and supported the basic objective of the South East Asian countries of excluding great power rivalry from their region. They welcomed the progress that had been made in cooperation between the members of A.S.E.A.N. and the steps taken by the A.S.E.A.N. countries to extend mutual cooperation in the economic field.

In exchanging views on their respective visits to Indonesia, the two Prime Ministers noted with satisfaction the close and developing bilateral relations between their countries and their common neighbour.

The two Prime Ministers agreed on the continuing importance of the Commonwealth of Nations. They expressed their confidence that the forthcoming Commonwealth Heads of Government Meeting would provide a valuable opportunity for discussions on issues of international concern. The Prime Ministers reviewed the important issues likely to be raised at the meeting and noted the value of these consultations. Mr Somare welcomed Mr Fraser's intention to conduct further consultations on these matters with other Commonwealth leaders in the Pacific. The two Prime Ministers noted recent developments in Africa. These would clearly be an important topic for discussion at the Commonwealth Heads of Government Meeting. The two Prime Ministers expressed concern and regret over Mr Smith's rejection of the most recent British proposals aimed at producing a peaceful transition to majority rule in Zimbabwe. The two Prime Ministers hoped that a just and equitable settlement could soon be found in the interest of all the peoples of Africa. They also expressed their opposition to the practice of racial discrimination wherever it exists.

The two Prime Ministers noted with particular concern the problems of development in the countries of the third world and of reducing the gap between the developed and the developing countries. They agreed that the developed and developing nations must cooperate in finding practical solutions to the challenge of economic development. They agreed further that, 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.

The two Prime Ministers noted that, although the various interests of their two countries differed, each recognised the necessity of finding solutions to the debt problem facing developing countries as well as ensuring stable and remunerative prices for their commodities. Mr Somare strongly endorsed Mr Fraser's view that there was a need for donor countries to provide assistance to developing countries in ways - such as Australia's long-standing policy of extending its aid to developing countries in grant form - that will avoid adding to their debt burden. Further, Mr Somare welcomed Mr Fraser's intention to raise this matter at the forthcoming

Commonwealth Heads of Government Meeting.

In respect of the Integrated Commodity Programme as set out in UNCTAD Resolution 93 (iv), the two Prime Ministers agreed that decisions on particular aspects of the programme could only be made in the light of necessary studies and detailed examination. Both Governments were prepared to participate in such studies and examinations. The two Prime Ministers welcomed Papua New Guinea's forthcoming accession to the Lome Convention as a demonstration of practical cooperation between developed and developing countries.

The two Prime Ministers affirmed that their respective countries, as active participants, were fully committed to working for a successful outcome of the United Nations Law of the Sea Conference. They agreed that the Conference, having made less progress than had been hoped during 1976, deserved a determined effort to reach a conclusion, from all participants at its next session in May. They noted that both countries shared many common aims in the development of this important field of international law, and expressed confidence that those developments would provide new opportunities for regional and bilateral cooperation.

Bilateral Matters

The two Prime Ministers reviewed the broad range of bilateral relations between Papua New Guinea and Australia. They were pleased to note the progress made in negotiating arrangements on a number of important bilateral matters since their discussion in March, 1976.

The two Prime Ministers noted with considerable satisfaction the entry into force of 1 February this year of the Papua New Guinea/Australia Trade and Commercial Relations Agreement. The Prime Ministers reaffirmed their commitment through the agreement to the maintenance of substantial freedom of trade between the two countries and to the further development of a mutually beneficial trading relationship.

The two Prime Ministers expressed pleasure that the two Governments had reached agreement on air services between Australia and Papua New Guinea, which accorded Papua New Guinea's national flag carrier, Air Niugini, traffic rights to and from Sydney, Cairns and Brisbane. The Australian carrier, Qantas, had been granted rights to and from Port Moresby and one other centre in Papua New Guinea to be nominated at a later date.

The two Prime Ministers noted that the new aid arrangements including the five year aid commitment, agreed at their March 1976 meeting had been introduced with effect from 1 July, 1976. They agreed to keep in close touch on the further implementation of these arrangements which had progressed very well.

Mr Somare reaffirmed that the untied grant aid provided by the Australian Government was much appreciated by his Government. He stressed that it was the most suitable form of aid because it permitted Papua New Guinea to plan and implement its own development priorities.

The two Prime Ministers noted that Papua New Guinea would change to a calendar fiscal year from 1 January 1978. They agreed that officials should meet early in the second half of 1977 to discuss the level of supplementation, above the basic minimum of A180 million already agreed upon, in the third year of the five-year period.

Mr Somare expressed his appreciation of the reserves standby facility provided for Papua New Guinea by the Australian Reserve Bank from 1 April 1976. He requested that this facility continue to be made available beyond the currently agreed date of termination, 31 December 1977, to correspond with the term of the present aid agreement. Mr Fraser took note of this request.

The two Prime Ministers recalled their agreement in March, 1976 that it was important to reach an equitable and permanent settlement on all issues relating to Torres Strait. They noted that their two Foreign Ministers, acting with Cabinet authority, had accordingly entered into negotiations in May 1976. The Foreign Ministers announced in June that they had reached agreement on a number of points basic to a settlement. In subsequent months, much further progress had been made, notably, provisional agreement had been reached on the location of a seabed boundary running some 1,200 miles from the Arafura Sea, through the Torres Strait and out through the Coral Sea.

The two Prime Ministers also noted that, despite the considerable progress already achieved, there were some issues on which agreement had not been reached. The two Prime Ministers and their Ministerial colleagues said that their two Governments were determined and confident that these issues could and would be resolved through a continued process of bilateral negotiations. They also agreed that, in the meantime, these matters would not be allowed to affect the close and warm relations existing between their two countries.

Mr Somare explained that, in view of the need for Papua New Guinea, as an independent country, to adopt its own limits of national sea and seabed jurisdiction, his Government had considered it necessary to secure the passage through Parliament of enabling "national seas" legislation. His Government felt some urgency in implementing this legislation with a view to negotiations with third countries on jurisdiction and resource questions.

There is an understanding between the two Governments that, notwithstanding the passage in the Papua New Guinea Parliament of the national seas legislation, no action or proclamation will be taken in respect of the Torres Strait area under or in relation to that legislation pending a reasonable opportunity for progress through further negotiations.

The two Prime Ministers said that their two Governments would as hitherto, approach the further negotiations on Torres Strait in a spirit of amity and cooperation. Neither Government would be assuming positions of rigidity or inflexibility. The two Prime Ministers agreed that more work would need to be done by officials on complex and delicate issues involved and that, accordingly, they did not wish to set a time limit for the completion of the negotiations.

The two Prime Ministers noted with satisfaction that, following intensive and detailed negotiations between their Defence Ministers, their Government had in January 1977, entered into a Status of Forces Agreement which made proper legal provision, in accordance with customary international practice, for the status of service personnel from either country when present in the other. Their Governments had also concluded arrangements covering subsidiary matters including the provision of supply support to the Papua New Guinea Department of Defence by the Australian Department of Defence.

The Prime Ministers said that they and their Ministerial colleagues had also given the most careful consideration to the broad nature of the future defence relationship between Australia and Papua New Guinea. Full agreement had now been reached between them on this most important matter, details would be announced in a separate joint statement which was also being issued today, 11 February 1977.

The two Prime Ministers reaffirmed the great importance which they and their Governments attached to the relationship between their two countries, noting that extended well beyond Governmental matters into a wide variety of fields and personal contacts. They said that they placed great value on the warm personal relationship which had developed between them and which would facilitate the further development of the existing close and harmonious understanding between their two countries. They and their Ministerial colleagues undertook to maintain direct and frequent consultation on all matters of importance to the relationship.

Mr Fraser thanked Mr Somare for the warm and friendly welcome which had been extended to him, to his wife and to all members of his party, both in Port Moresby and in the provincial centres they had visited. He asked Mr Somare to convey his personal thanks to all those who had been involved in the visit arrangements and who had made his visit such a pleasant and interesting one.
