

**PRIME MINISTER**

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PRIME MINISTER'S ADDRESS TO THE NATION : 3 JULY 1977

It was good to return to Australia last Tuesday after discussions in the United Kingdom, Europe and in the United States. I would like to take a few moments to touch on three aspects: the Commonwealth Heads of Government meeting in London, relations between the United States and Australia, relations between the European Economic Community and Australia, and their importance to us.

At the Commonwealth Conference there was a valuable opportunity to meet and get to know the leaders of about a quarter of the world's population. The discussions there centred to a large extent on the problems of developing countries, which is not surprising because about 900 million of the world's people have incomes of \$75 Australian or less a year. Australia committed herself to a substantial increase in food aid, but however important aid might be, fairer and more equitable international trade is likely in the longer term to be much more helpful.

Many developing countries depend upon one or two commodities - such as sugar - for their overseas income. In recent years the prices of commodities have varied very widely. Commodity prices have tended to fall in relation to other goods, making it hard for developing countries to pursue their own development plans in a reasonable way. If we cannot achieve better trading arrangements and more stable prices at reasonable levels for the developing countries, there is going to be a great deal of disillusion.

Australia has extensive experience to offer in this area. We have participated in international agreements for sugar and for wheat in the past, and I therefore suggested that a technical working group should be established to work out what progress can be made within a reasonable time frame. The Conference accepted that suggestion, and such a working group will be set up.

At the Commonwealth Conference, much time was also spent discussing the problems of Southern Africa. Apartheid is a pernicious and evil doctrine which has long been condemned from Australia. Sir Robert Menzies condemned apartheid as early as 1961, indicating that in his view it was a policy that would end in the most frightful disaster. The problems of Zimbabwe - Rhodesia - are very real and they are urgent. The British Prime Minister indicated that it was his Government's objective to have Zimbabwe seated as an independent state at the next Commonwealth Conference in 1979.

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The United States is lending its support to the United Kingdom's efforts. I believe that there is now greater hope that a negotiated solution will be reached in relation to this very difficult problem. I also think time is running out for those who want a negotiated settlement - a peaceful settlement. The longer a settlement is delayed, the more people will come to believe that the only solution will be through some violent means that would leave scars on the face of Africa, scars between countries, that we could well do without.

For Australia, I spoke with a clear voice on these issues, supporting the efforts of the United Kingdom and of the United States, because it is important that countries such as Australia speak plainly about these issues. It is important that those supporting the white minority government in Rhodesia, in Zimbabwe, know that they have no international support. If they know they have no international support, there will be a great likelihood of achieving a peaceful, negotiated, solution.

It was also important for the Commonwealth Conference to condemn what is happening in Uganda, and President Amin's regime was overwhelmingly condemned by the Conference. I believe everyone recognised that it would have been one sided to take the attitudes that were taken in relation to Rhodesia, to Zimbabwe, while remaining silent in relation to Uganda. But the Commonwealth did speak, in forthright terms, and in strong terms. Thus the Commonwealth's own reputation as an organisation with concern for human decency was enhanced. It expressed its views fairly and fearlessly.

In the United States, I emphasised the importance that Australia attaches to making progress on the issues of race in Southern Africa. I also emphasised the importance of the grave economic issues affecting the developing world. Beyond that, with President Carter and other officers of his administration, there were very full discussions on the political and strategic matters affecting the Western Pacific, South East Asia and the Indian Ocean. Concerning the Indian Ocean, I found an identity of interest on the need to stabilise the situation. Our views are being taken into account very fully in the consultations now going on between the Soviet Union and the United States and our views will be fully taken into account before any eventual agreement.

President Carter is in many ways initiating a new and exciting era in international politics. For too long in the past democracies have been on the defensive. They have been reactive to events, on the defensive in relation to material matters and in relation to ideas. Of all the political philosophies, democracy ought not to be on the defensive because the very idea of a free people uniting together in government is the most noble experiment in government that the world has seen. But it is necessary for democratic leaders to proclaim the value and virtues of democracies.

President Carter understands this, and he expresses it very well indeed. What he is doing in relation to human rights, non-proliferation and United States-Soviet relations, demonstrates very real concern for matters of importance.

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It is important from Australia's point of view that President Carter, himself and his administrators, want to hear our views on matters of common concern before policies are decided. I know very well that if a matter is important enough there is immediate access to the White House in matters that affect Australia's national interest.

Now I would like to talk for a moment about our relations with the European Economic Community - a group of 260 million people, perhaps the wealthiest, the most scientific and technologically advanced group that the world has seen, and certainly a very powerful trading group. The European Community has had a reputation for being in favour of low levels of protection, almost for being free traders. They have had that reputation despite the fact that in agriculture their policies of protection have made it almost impossible for products from countries like Australia to be sold in Europe. We have lost many markets because of their agricultural policies of high protection. They have not only done that, but have also subsidised their surplus products for sale on other markets, thus disrupting the traditional markets of Australia and other countries. While these policies applied only to agricultural produce, they seemed to be able to get away with this, and still have their reputation for favouring low levels of protection.

Recently we have seen a very disturbing development with these policies of high levels of protection being applied to manufactured goods from Japan, or to Australian steel. I was very surprised to learn in Europe that they regarded Australia as an unfair competitor in steel, and that they wanted us voluntarily to restrict exports to Europe. Their definition of unfair competition seems to be competition which harms European industry. If this is allowed to continue, it is going to have very serious consequences for international trade.

Our manufacturing industry has a base market of about 14 million people compared to Europe's 260 million people, and that is why, in many instances, we do need higher levels of protection than does Europe. But even when our industries are harmed by international trade, we have still allowed access to our markets, and market penetration has often increased despite some damage to Australian industries. If we acted as Europe acted in those circumstances, we would say imports must cease entirely. But we have not done this.

We have taken a responsible course. These are serious matters and there are going to be discussions in coming months between the European Community and Australia, and between France, Germany, and the United Kingdom and Australia. At these discussions the totality of our commercial and trading relations will be discussed, and I would hope that we would reach some solution for these very difficult and important problems.

In Europe I found that the main matter they wished to discuss with me was uranium. They look upon Australia as a potential reliable supplier of energy for the homes, for the factories of Europe, so that their people can be employed, and so that their standard of life can be maintained. We sometimes forget that Europe is short of energy and desperately wants secure and reliable supplies, not for a few months, but for years ahead.

I made it plain that my Government has yet to make a decision whether or not uranium exports will be allowed, but it is a very important matter from their point of view as well as from ours. I make the point now, as I made it to them; that if Europeans want stability of access to supplies of energy, to supplies of uranium, it is reasonable enough for us to seek to have that principle of stability applied to access to their markets.

Stability is a principle that cannot just apply to one part of trade between nations. It ought to apply to supplies of raw materials and to access to markets, and I believe that Europeans are coming to understand that. Therefore, I hope very much that the discussions that we will be having will lead to the acceptance on both sides of some sensible principles which will lead to a better and a more reliable trading relationship.

The discussions overseas were timely. They will have made it possible for Australia to contribute more effectively to international peace; to advance sensible trading relations; and at the same time to advance Australia's own national interest.
