



Mr Carmody
(25)

PRIME MINISTER

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BEEF, SUGAR TALKS

The Prime Minister talked today to the Japanese Ambassador Mr Okawara about export of Australian beef to Japan and about the sugar agreement.

Australian and Japanese officials will be meeting in Tokyo next week about future levels of Australian beef exports to Japan. These talks stem from his discussions in Kuala Lumpur last month with the Prime Minister of Japan Mr Fukuda. It had been agreed at that meeting that officials of both countries should work closely together to devise a system which would better serve the needs for stability in trade between Japan and Australia.

Mr Fraser emphasised to Mr Okawara the very great importance which Australia placed on this issue. It was essential that predictable and stable access should be available for Australian exports of primary products. Beef production was not something which could be changed quickly. It required considerable long term investment. Sudden and dramatic restraints on Australia's capacity for export imposed by other governments were unsettling and damaging.

If beef producers were to be given the necessary stability in their export markets they must know what the future market situation would be, some considerable time in advance. Six month quotas were not satisfactory.

In talking with Mr Fukuda the Prime Minister had suggested that an appropriate solution might be a fixed quota plus a growth factor that might be related to beef consumption in Japan. He believed that such a quota should be considerably above the present quota. Imports in the year immediately preceding the import embargo in 1974 were 127,000 tonnes. The import quota now stands at 80,000 tonnes.

The Prime Minister had been very pleased with the readiness of the Japanese Prime Minister to agree to the pursuit of greater stability and access for Australian beef in a realistic and constructive manner by Australian and Japanese officials. He expected that with goodwill on both sides it would be possible to obtain a more secure arrangements than the one now prevailing

and one which would apply for the future. If that outcome was not achieved it would effect Australia's whole trading relationship with Japan.

The Prime Minister also discussed the current unsatisfactory position in relation to the sugar negotiations.

He strongly supported Mr Anthony's statements in Parliament this week. The Australian government endorsed the generality of CSR's case and would wish to see the matter resolved commercially if possible.

However, time was running out and wider issues concerning the reliability of long term contracts as bankable documents were also significantly involved.

On this issue in Kuala Lumpur the Prime Minister and Mr Fukuda had agreed that an early solution between the parties was important to both countries.