

JOINT STATEMENT

The Prime Minister of Australia,
The Rt. Hon. Malcolm Fraser, and the Deputy Prime Minister
of New Zealand, The Rt. Hon. Brian Talboys, issued the
following Statement following discussions in Canberra, and
over the week-end at "Nareen", during which they were
accompanied by the Australian Foreign Minister,
The Hon. Andrew Peacock.

Mr Talboys has come to Australia on this occasion as
a guest of the Australian Government. He is visiting all
the Australian States, as well as Canberra and the
Northern Territory. He is meeting the State Premiers and
Ministers of the State Governments. Mr Fraser warmly
welcomed his visit as a confirmation of the special
relationship that exists between Australia and New Zealand.

Discussions in Canberra and at "Nareen" covered a
wide range of subjects, in particular international trade
issues, Australia/New Zealand relations, the South Pacific
and the Commonwealth.

INTERNATIONAL TRADE

Mr Fraser and Mr Talboys discussed extensively current
major issues in international trade. An expansion in world
trade would facilitate more rapid progress in expanding
trade between Australia and New Zealand.

Australia and New Zealand have important interests in
common with developing countries, as exporters of primary
commodities, in seeking improved conditions for international
trade in commodities.

The Multilateral Trade Negotiations have yet to achieve a meaningful liberalisation of international trade in commodities. The benefits of the Multilateral Trade Negotiations have to date been unequally shared. They have tended to favour the major industrial producers and have done little for commodity producers.

Australia and New Zealand regard improved world trading conditions for agriculture as an essential ingredient of a satisfactory outcome to the Multilateral Trade Negotiations.

Mr Fraser and Mr Talboys agreed that there is a pressing need for substantially improved access for agricultural products into the markets of the major industrial countries.

Both countries continue to support multilateral arrangements for appropriate commodities involving both producers and consumers as a means of achieving more stable world trading conditions. They wish to see the UNCTAD Negotiating Conference on the Common Fund resumed at the earliest opportunity and are willing to participate actively and constructively in these negotiations to achieve an early successful outcome.

Mr Fraser and Mr Talboys agreed that it is essential for all trading countries to commit themselves to work towards an expansion of world trade and world markets. Only in this way can an economic climate be created in which a solution may be found to the problems of developed and developing countries alike. A failure in or a merely face-saving outcome to the forthcoming round of Multilateral Trade Negotiations would give a further impetus to the emerging protectionism

in the major industrial trading blocs. This could have very damaging consequences for the world economy.

Mr Fraser and Mr Talboys agreed on the need to establish an international trading system that will assist the developing countries to realise their full economic and social potential. Not only is this essential to meet the aspirations of the developing countries, but it should also serve to promote soundly based and sustained world economic growth. To achieve more equitable arrangements for international trade, it is necessary for the major industrial countries to make a new commitment to work with the developing countries to this end.

It was agreed that officials in Australia and New Zealand should undertake as a matter of urgency a fundamental examination of these issues and of the prospects for achieving the twin objectives of an expanded and more equitable international trade system. There should be further discussions between Australian and New Zealand officials after consideration of these matters at the national level. The two countries should work together internationally to press for progress in these areas.

AUSTRALIA/NEW ZEALAND RELATIONS

Mr Fraser and Mr Talboys affirmed that Australia and New Zealand are linked by deep ties of common origin and shared ideals and institutions which give a sound basis for the closest co-operation. The futures of the two countries are inextricably linked. By continuing to work closely together the two countries can strengthen each other and

thereby make the best possible contribution to the peace and prosperity of the region in which they live.

Extensive consultations and coordination between the two Governments already exist in many fields. Mr Fraser and Mr Talboys recognised that there is scope for further facilitating and encouraging relations by the exchange of people and ideas between Australia and New Zealand. To this end, they decided to take several concrete steps.

These include:

- . Exchanges of Parliamentary Delegations on a regular and frequent basis;
- . Exchanges of Australian and New Zealand Government officials from a variety of areas to work in each other's country;
- . Regular consultations on international legal and related matters;
- . Further steps to coordinate the activities of the two Governments in the field of development cooperation.

Mr Fraser warmly welcomed a proposal by the New Zealand Government that a New Zealand-Australia Foundation should be established to help strengthen relations between the two countries. Mr Fraser stated that the Australian Government wished to be closely associated with the proposal by means of a parallel body in Australia. Mr Fraser and Mr Talboys agreed that the functions of the respective bodies should include encouraging the study and discussion of issues

of interest to both Australia and New Zealand and the promotion of increased cultural and other exchanges between the two countries. Close contact would be maintained between the two bodies.

Mr Fraser and Mr Talboys welcomed the initiative taken by leaders in the private sector of both countries to form a committee of businessmen to promote trade and to assist the development of close economic relations between the two countries.

Mr Fraser and Mr Talboys reaffirmed the significance which both countries attached to the maintenance and further development of bilateral economic ties. Since the New Zealand-Australia Free Trade Agreement (NAFTA) was signed in 1965, the value of trade between the two countries has increased more than four-fold, and has now reached a level of nearly \$A1 billion a year. Each country is the biggest market for the other's manufactured exports. Mr Fraser and Mr Talboys noted with satisfaction the recent commitment to the continuation of NAFTA until at least 1985 and the conclusion of a more enduring agreement on tariffs and tariff preferences. They looked forward to a further round of NAFTA discussions in April at which Ministers would assess current trade problems in detail and review progress in the trade field.

The intention of the two governments in entering the NAFTA was the progressive removal of barriers to trade between the two countries with a view to the continued expansion of the free trade coverage. Mr Fraser and Mr Talboys agreed on the desirability of the further opening of bilateral trade, as conditions permit, with the objective of encouraging in both

Australia and New Zealand the development of efficient industries that can meet international competition and provide increasing employment opportunities.

To help achieve this objective and strengthen the two countries' economies on complementary lines, Mr Fraser and Mr Talboys agreed that in considering questions of assistance for the development of particular industries in which the other country would have an interest, each Government should take into account the situation and prospects for the industries concerned in the other country. A consultative mechanism should be established to make possible full consultation between Governments before decisions are taken on these questions. Procedures should be elaborated at the NAFTA Ministerial meeting in April.

Mr Fraser and Mr Talboys emphasised the importance for regional stability and economic development of a healthy economy in both countries. They recalled that the 1977 ANZUS Council Communique stated that "Ministers recognised that the health of the economy of the three partners is of concern to each, for it affects their capacity to play the responsive and responsible role that world and regional circumstances demand of them and which is their common desire. They therefore agreed that they would consider their economic relationships and mutual problems within this larger framework".