

Interview with Richard Thwaite, Tokyo ABC

21 April 1978

QUESTION: Mr Fraser, what do you hope will be Japan's response to the propositions you are putting to them?

PRIME MINISTER: I don't think I'm looking for a response in terms of having hard, practical and firm results coming out of these discussions. They are against the background of the broad international situation, and also having in mind very much the major international trade discussions taking place this year that are involving the developed world and developing countries, and against our view that there needs to be success at these talks. We run the risk otherwise of ending up the year with developed countries fighting amongst themselves for a greater share of existing markets, a good deal of disillusion between the developing and developed countries. The great problem that we all face is how to expand market opportunities in trade without unleashing renewed inflationary pressures. The purpose is to explore every possible avenue of achieving that.

QUESTION: Are you making specific suggestions yourself on how that can be done?

PRIME MINISTER: I'm certainly making suggestions about the trade negotiations taking place, and I think one of the most important things is to make sure that agriculture remains a constructive part of those discussions. When these discussions have taken place in the past, it has generally ended up by the major industrial nations deciding "agriculture is too hard, so we'll just make some arrangements, some adjustments, which will help trade in manufactures." If that happens this time it's not really going to do anything to promote an expansion of world trade. You've only got to take account of the fact that with agriculture and commodities excluded, you've got to exclude the internal EEC trade, because that's not affected by these matters. The proposals on industrial goods affect less than 20% of world trade, and then the proposals themselves are very modest, and they'd end up by being about a half percent tariff reduction a year over 8 years starting from 1980. Now I don't believe anyone can really think that that of itself is going to do much to expand markets and hence to expand world trade.

QUESTION: The Japanese themselves are very sensitive on the question of agricultural trade. Have you had any response from them at all specifically on agriculture?

PRIME MINISTER: Well we haven't been talking about bilateral issues. I have a very strong view that Japan believes that agriculture must be part of the total negotiations, just as industrial goods should be. But I think in the past the main stumbling block for that has been European policies.

QUESTION: What kind of market expansion are you really looking for?

PRIME MINISTER: Well you're looking for the circumstance in which markets can expand so that there is work for our factories, for our mines, for the products of our farms, and unless that happens there is going to be continuing high unemployment in many many countries. We're not looking at this just from the national Australian point of view, although obviously if you get an expansion of market opportunities Australia will benefit, all countries will benefit. And if you don't get that you are left with the position in which we're arguing about the cut up of existing markets and that can advantage one country for a time over another, but it's not going to solve the economic problems that we all face at the moment.

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