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PRIME MINISTERFOR PRESS26 NOVEMBER 1978ELECTORATE TALK

It has been a long standing rule in our home that during Christmas time the Fraser family stays together. That rule has been rigorously applied by Tamie over the years. Unfortunately, it has had to go by the board this year. On Christmas Day I will be leaving for Jamaica for an important international conference.

The Heads of Government from countries including Germany, Canada, Venezuela, Nigeria and Norway will meet in Jamaica to talk over world trade and commodity trade problems. As Prime Minister I will represent Australia at that meeting.

A few days later I will be meeting with President Carter in Washington to look at a wide range of world economic problems.

The meeting in Jamaica underscores the significance that developed and developing countries place in particular on the stability of international trade in commodities. Agricultural and other commodities are of vital importance to almost every developing country. For countries producing commodities, unstable prices and markets have hit hard at their export earnings and growth prospects. This has been disastrous for developing countries. For purchasing countries, boom-then-bust commodity markets have entailed sudden and often massive price swings. This frequently sets off irreversible wage rises and sets in train longer term inflationary pressures.

Clearly then, it is in the interests of both producers and consumers that there be stable commodity trade. The Australian Government believes strongly that a well-managed Common Fund can help achieve this goal.

Australia, in fact, through representations in world forums over the past 2½ years, has led the way in attempting to bring about agreement between developed and developing nations on the question of a Common Fund.

Two senior Australian officials have recently completed talks in the United States with the aim of further developing the Common Fund concept. Currently, we are involved in negotiations in Geneva on the many complex issues involved in the setting up of such a fund. It is too early to now say whether agreement on the fund will emerge. Australia would be most concerned at any stalemate in the negotiations.

Australia believes that agreements for individual commodities - with assistance from a Common Fund - can introduce greater stability into world trade and to the incomes of developing countries. We earnestly look for an early resolution to the outstanding questions.

The broader question of the state of international trade also remains of paramount concern for the Government. The continued failure of the major trading blocs to deal with agricultural protectionism - and the yielding to pressures for increased protectionism in other areas - pose one of the most testing challenges for world leaders.

This challenge is all the more pointed because it comes at a time when the western world continues to battle with the twin problems of high unemployment and high inflation.

The Multilateral Trade Negotiations have been in progress for some years. If these discussions lead to new world trading arrangements, they will certainly set the pattern for international trade for decades ahead.

A number of countries are now working for a conclusion for some time in December. The negotiations were originally due to finish in July, they were then scheduled to end next month. A number of countries are now working to conclude the negotiations then, but expect that the final result would still be subject to ratification by the European Council of Ministers and by the United States Congress some time early in 1979. That objective might still be on the hopeful side.

Australia is taking an active part in the negotiations. Given our dependence on world trade, and the current international trading environment, it is in Australia's interest that the negotiations be successful. Yet, significant differences still persist. We can only hope that, during the next few weeks, the major trading blocs will demonstrate a real commitment to achieving a fairer and more rational trading system. This will require further concession to be made.

We are all watching their actions over the next few weeks, trusting that the many assurances they have given will be reflected in the final outcome of the negotiations.

Australia - while recognising the limits of our influence on world economic affairs - will continue to press our case with vigour and reason. As a Government, this is a responsibility we can never neglect.
