

Prime Minister Interviewed by Swiss Television Team

Question

Can Australia's agriculture prosper without the E.E.C.?

Prime Minister

It can prosper without the European Community, yes. At the same time the European Community is enormously important to Australia. 80 percent of our exports, agricultural exports, to Europe have been prohibited by the rules of the Community. It is not only a question of access but also subsidised exports while \$4,000 million worth of which compete very directly with our exports in Third markets. We have the anomalous situation where we are not allowed to send a kilogram of cheese to Europe. 4,000 or 5,000 tons of very heavily subsidised European cheese find their way into the Australian market. Dairy farmers don't like that very much. If there were equal trading opportunities there would be no troubles but there aren't. I believe that increasingly people are recognizing the justice of Australia's case in relation to the European Community and recognizing also that some changes will have to be made. We do need to get to a situation in which there are fair rules of trade and that applies not only to access, it also applies to the question of export subsidies into other traditional markets which can be destroyed completely by the export subsidy policy, and often have been.

Question

Do you think that new markets can be found nonetheless?

Prime Minister

There are other markets. But that doesn't alter the principle. We are involved not only with the right of access and what that will do for our own industries, we are involved with the principles of trade. That's a lot of what the MTN is all about at the moment; establish fair rules of trade so that the largest industrial trading groups don't use their industrial weight, their power, their size, to deny a reasonable opportunity to other countries.

Question

Are you blaming the E.E.C. and other countries, for applying discriminatory rules in agricultural sector. The Asians might do that and say you are having high tariffs ...on industrial goods.

Prime Minister (continued)

I don't think they can because they know quite well that in the areas they are talking about their exports to our markets have been increasing by 30% to 40% a year for seven or eight years. They've had very favoured access into our markets. The ASEAN countries know that we've made a number of very special arrangements to assist them to get access, and greater access, into our markets. One of their problems of course is that they are competing against each other, very often with the same commodities, but also competing against Taiwan, Hong Kong, South Korea, who are starting to export to our market area. You've only got to look at the rate of access, or the increase in the rate of access to our markets and it has been very great. You can look at it another way around -- we buy more sensitive goods; textiles, apparel and footwear, from ASEAN countries, from the developing countries, than any other developed nation. We buy \$2.50/\$3.00 a head where Europe, North America, Japan, buy something in the 25¢ to 60¢ range. Now that indicates -- that is another measure of the openness of the market. There are some ironic things in this particular arena. I had one of our manufacturers approach me the other day wanting to export textiles to the Phillipines and he wasn't allowed to and he was told this was 100 percent reserved for the local market because it was a labour intensive industry. If our exporter was able to compete on fair economic terms he should have been allowed some access. I don't think the ASEAN countries, when you look at the facts of their trade and the growth of their trade, can really complain about the sort of access they've had to the Australian market. It's substantial access and it's a growing one.

Our position in Europe is that it used to be a substantial access but it has been reduced to nothing by the special rules of the Community.

Question

In your opinion, do you think Australia has done enough for its Aboriginal people, or is there still a lot to be done?

Prime Minister

There is a lot to be done. I think it might be a fair criticism to say that Australia started too late. In recent years great progress has been made. Resources are being made available and in this kind of problem I think we recognise that progress -- you can't achieve all you want to achieve in a week or a year. It will take some time.

Question

Your Government has decided to mine uranium despite some opposition within the country. How vital is uranium for this country? What made you go ahead with it?

Prime Minister

A number of reasons. There are, as we believe, international obligations. Overwhelmingly Europe wants access to larger supplies of uranium for peaceful purposes. Europe is short of power. It doesn't want to be blackmailed again as Europe was by the OPEC countries. It therefore wants to diversify sources of power. Uranium for peaceful purposes is an obvious energy source. We do believe there are international reasons, international obligations. Also because of the particular qualities of uranium we believe that it is much better for Australia to be involved in the trade so that we can make sure that the trade is conducted in the safest possible manner, with the strongest non-proliferation regime. We believe that the non-proliferation regime will be stronger than if Australia was not involved because of our very deep and real concern to make sure that the safeguards are as tight and as strong as possible.

Question

In your opinion, is Australia a part of Asia? Do you have any plans of bringing Australia closer to Asia?

Prime Minister

I think Australia has probably come closer to Asia over a long period. The Colombo Plan, a major aid program, was founded many years ago. Our foreign aid is centred in Southeast Asia and now in the Pacific also. We have very close relations with the ASEAN countries. A very particular relationship with Japan and a developing relationship with China which I believe all goes very well for the future development of Australian-Chinese relationships in future years. Geographically, we are on the edge of Asia and what happens in Southeast Asia will inevitably affect us. So to that extent, economically, geographically, we are very much a part of Asia. We can't avoid the circumstance that much of our historic background, cultural background and traditions are different. European, originally Anglo-Saxon but now broadened out into a multicultural society which I hope is less narrow, less insular and more tolerant than Australia might have been in the days before the last World War. What happens in Asia is of enormous concern to us.

Question

But would you be, for example, prepared to let in more Asian immigrants than you are today?

Prime Minister

There's no discrimination in our immigration programme on the grounds of race or colour or origin. The problem with

Prime Minister (continued)

immigration at the moment is the level of unemployment within Australia. It's that that imposes the ..(inaudible)

Question

But would you be prepared to let in more Asian refugees than ...

Prime Minister

More have been coming in. If you look at the figures, the numbers have grown quite greatly.

Question

Even more?

Prime Minister

Let's take the decisions as far we've gone at the moment. There's a very real refugee problem in Southeast Asia which we are aware of and there will be international discussions undertaken in Geneva within the next few days. We hope very much that the United Nations and others will recognise to a greater extent the international responsibilities in these areas. The size of the problem could well be beyond the capacity of countries in the region itself to overcome. This has been recognised by the United States and some other countries who do take a substantial number of refugees. Let me only say that Australia, with a number of countries, has been increasing its intake of refugees very substantially. We will certainly do everything within our power and capacity to alleviate the very real and serious human problem.

Question

Why are there so many strikes in your country?

Prime Minister

I don't know that there are. Our newspapers report them very fully. There are sometimes too many strikes in export areas which bring people to notice but over the last year or so the number of strikes in Australia, the time lost in man hours and sort of thing, is much less than in the United States on a comparative basis. Three or four years ago it was quite out of hand. There is always room for improvement and we have recently made some ministerial changes which will enable greater attention to be given to this general issue. Make comparisons with some other countries, no need to name them, I don't think Australia's record stands too badly.

Question

Are the economic problems of Australia any different from those other industrialised countries in so far as fighting inflation and unemployment?

Prime Minister

I think our approach to the problems might be a little bit different because we believe, as does the OECD organisation, as does the Secretariat of GATT, in its last most forthright report, that the only way to fight unemployment is to fight inflation; so that your industries become more competitive and get a greater share of your own markets and a better share also of export markets that might be offering. This also will give people confidence to buy and expand their investment, general activity. I think one of the problems there has been with advanced industrial countries over recent times is that people have said inflation is very important; they've made some progress against inflation. To an extent they've relaxed their general economic policies hoping that that will improve employment but in fact it has tended, very often, to make inflation a bit worse again with unfortunate effects on employment. When the GATT Secretariat said that if there is to be real progress in the expansion of markets, expansion of production, the reduction in unemployment, we need to get back to inflation levels of the earlier 1960's or even earlier times. I think there is a great deal of truth in that. I believe we've got inflation down from, for us historically high levels of 17%, 18% and 19% which we inherited from our predecessors, to somewhere around 7% or 8%. It is still trending downwards. Our Treasury forecasts indicate that by the middle of next year it should be running at an annualised rate of about 5%. But we wouldn't be satisfied with that. We would still believe that that is too high. I think now in the Australian economy we are starting to see the signs, the early signs if you like, of the policies of the last year or two. Many industries have better order books. They are getting back into exports. They are getting a larger share of our own domestic market.

Question

Do you still consider Australia to be a lucky country?

Prime Minister

In many ways Australia is a lucky country. We do have natural resources and we have a wonderful land but other people could say that of their own countries. I think a country is what a people make it. Australia is what Australians collectively make of Australia. What we can contribute to Australia; how we can build it and improve it and make it a better place. I think you could say that of your people and your country -- it's what your own people make of it. You asked me this particular question, I think I am allowed to say that I think the Australians, the Australian people, have the capacity to make this the best country on earth; the best country in which to build, bring up a family and build a person's, a family's, future. That's the way Australians see it.

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