

HEADS OF GOVERNMENT MEETING

JAMAICA - DECEMBER 28-29

STATEMENT BY THE PRIME MINISTER OF AUSTRALIA
THE RT. HON. MALCOLM FRASER, C.H., M.P.

This meeting, bringing together delegates from the continents of North and South America, Europe, Africa and Australia, was convened at the initiative of Mr Michael Manley, Prime Minister of Jamaica.

As well as Mr Manley and myself, it was attended by the Chancellor of the Federal Republic of Germany, Helmut Schmidt, President Perez of Venezuela, President Obasanjo of Nigeria, and Prime Ministers Pierre Trudeau of Canada and Odvar Nordli of Norway.

The Conference arose from a commitment to focussing on North-South problems and exploring how international cooperation to resolve them might be furthered. It set aside the formalities of structured agenda, and prepared speeches. The emphasis was on informality and frankness which generated a friendly and forthright atmosphere for wide-ranging discussion on the world economic environment.

The initial session was devoted to an examination of the underlying causes of the malaise preventing the improvement of world economic conditions and more productive economic relations between developing and developed countries.

The discussions revealed several important and useful areas of agreement on the nature of world economic problems and the objectives that had to be reached in relation to them.

All participants agreed on the central importance of overcoming inflation and concurred that a successful attack on this fundamental enemy would stimulate economic growth.

There was also a significant degree of agreement on objectives, an agreement which left behind the traditional differences between developed and developing countries. The Conference agreed that there was a need to provide more open markets and fair and equitable opportunities for trade. There was also a widespread recognition of the problems of developing economies, particularly those dependent for income on one or two commodities and receiving inadequate export income.

The discussion produced agreement on the need to have it generally accepted that effective remedial measures required a step by step approach which would bring about the interdependent market growth in developed and developing countries.

A significant outcome of the Conference was the general agreement on establishing a Common Fund to finance international commodity stabilisation, and the emergence of a broad agreement on a Fund's possible structure and financing. It was also recognised that the Fund's effectiveness will be very significantly affected by the international economic environment in which it is introduced. The benefit the Fund can bring could well depend on national economic policies being directed towards the expansion of trade and markets, which was essential to world economic growth. Ultimately the key element in achieving this objective was a sustained and successful attack on world inflation.
