



FILE

PRIME MINISTER

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NEW YEAR'S MESSAGE

On Christmas Day I left Australia to discuss world trade and economic issues with the leaders of a diverse group of prominent developed and developing nations from North America, South America, Europe, Africa and the Caribbean.

The meeting was convened by the Prime Minister of Jamaica, Mr Michael Manley, a leading figure in the Commonwealth and of the developing nations.

It was also attended by Chancellor Schmidt of the Federal Republic of Germany; President Obasanjo of Nigeria, Africa's largest nation; Pierre Trudeau, Prime Minister of Canada; President Peres of Venezuela; and Prime Minister Nordli of Norway, a country at the forefront of Official Development Assistance for the developing world.

The leaders of this diverse, yet broadly representative group of nations met because of the need to depart from the rigid structure so common now in international discussion. We wanted to discuss openly and plainly the international economic problems of our time - how to achieve a greater rate of progress for the developing countries, how to tackle the issue of market growth, how to ensure greater access to markets and how to stabilize international commodity trade upon which most of the developing world depend for their livelihood and well-being.

These areas concern Australia. While we are a relatively advanced industrial nation we have much interest in common with the developing world.

We are a member of a developing region. We share with many developing nations the fact that we are a significant exporter of commodities.

All of us are significantly affected by the level and growth of world trade.

The Jamaica meeting might well have been the first at which leaders of representative developed and developing nations informally addressed themselves to world economic problems.

Significantly, they first and foremost jointly recognized in the clearest possible terms that inflation was the common enemy and that even greater efforts needed to be made to overcome its corrosive effects.

All our experiences bore out the fact that inflation undermined investment and consumer confidence and directly increased unemployment.

We were particularly concerned that inflation reduces the growth of domestic markets and hinders expansion of world trade. Further, it generates domestic pressures for increased protection, further reducing trade and access to markets. Inflation limits expansion of world trade which is so sorely needed if world economic recovery is to be assured and poverty throughout the world is to be reduced.

Discussions at Jamaica clearly brought out the interdependence between the economic health of the advanced industrial nations and the opportunities for increased growth in the developing world.

All the leaders at Jamaica agreed that if greater progress is to be made in improving access to markets, if we are to generate new market growth and if we are to raise the standard of living throughout the world we must vigorously combat inflation, both nationally and internationally.

We also examined at length the methods by which further progress could be made in the establishment of a Common Fund designed to stabilize prices in commodities, and the prospects for a successful and balanced outcome to the MTN.

Further, we gave attention to improving international financial institutions, particularly those designed to assist developing nations in protecting their balance of payments situations from significant falls in commodity prices.

This was not a negotiating conference. We met to discuss matters informally. Consequently, there was no commitment to rigid pre-conceived positions.

There was an exploration and exchange of ideas and an increase of understanding between the diverse countries represented at the conference.

Even though some highly sensitive issues were raised they were always discussed openly and with tolerance.

All the government leaders felt the meeting was highly successful and that it would be beneficial for other groups of developed and developing nations to meet in a similar way to exchange views and to achieve a better understanding of problems.

Negotiations on a Common Fund will be resumed at a United Nations conference in March 1979, and I am confident that the Jamaica meeting will enable all of us to contribute better to a successful resolution of outstanding Common Fund issues.

The Jamaica meeting was an encouraging note on which to end 1978. It demonstrated political leaders' tolerance, understanding and willingness to go beyond politics and promote interest common to all mankind.

I am certain that all Australians will join me in hoping that this approach will be carried in to the new year.

Some people believe that knocking is part of the Australian tradition.

Today, we are faced with national and international issues which are of great moral and practical significance. If we set aside politics and work together we can advance our nation's welfare and contribute greatly to the resolution of international issues of fundamental importance.

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