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~~MR. YEELD~~

PRIME MINISTER

FOR MEDIA

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ELECTORATE TALK

This week I will be leaving for a brief visit to the Philippines, where the 5th Session of the United Nations Conference on Trade and Development is beginning. I was pleased to accept the long-standing invitation from President Marcos to visit his country.

Australia and the Philippines have a warm relationship. Apart from cultural and tourist links, trade between us is growing fast, with total two-way trade now nearing \$200 million. The Philippines is also an important member of the ASEAN group of nations, and our ties with ASEAN continue to develop year by year.

The UNCTAD session is an important one. It will focus attention on international trade problems and this is an issue of vital concern not only to developing countries, but to the general world community.

Australia of course is a developed country, but as a major trading nation we understand the very real problems of the developing world. These problems have been well chronicled. There is a need to free up world trade -- to reduce protectionism -- and to seek to open up new markets. The need is in human terms. In some developing countries average annual incomes are no more than \$200 while less than one in five adults are literate.

Between the various developing countries themselves, there is a wide divergence of living standards. Many African and Latin American-Caribbean countries are not as well off as developing countries in the Asian region. This of course is due to many factors, but in part reflects on the effectiveness of economic policies carried out by developing countries in the Asian region, and in particular their tackling of inflation.

It is a simple fact of life that the livelihood and well-being of millions of families in developing countries depends so much on access for their products in markets of the world. They are at the whim of strongly fluctuating commodity prices. Over the years, unstable prices and restricted access have hit developing countries. Australia knows this from our own experience. Of course, for purchasing countries, boom-and-bust markets have caused sudden and massive swings in prices -- contributing to inflation and inflationary expectations. It is therefore in the global interest that there be stable, soundly-based commodity trade.

Australia earnestly believes that a viable and well-managed Common Fund, which countries in the international community have worked on for some years, can help achieve this goal. In a very real sense, we have been the catalyst in bringing the developed and developing world closer together on this fundamental issue.

The importance of face-to-face discussions in forums like UNCTAD can never be stressed too much. It is crucial that in a world facing so many fundamental economic and trade problems that leaders have the opportunity to listen personally to each other's views. Clearly, there has to be more communication between world leaders. Written communication between Governments is necessary and unavoidable, but it can never replace personal contact, for getting to the nub of problems.

While in Manila, I will be having extensive discussions also with the recently elected Prime Minister of Japan, Mr. Ohira. Japan has invited Australia to present our views on international trade and economic issues prior to the important Tokyo Economic Summit. It is an invitation we welcome and appreciate. Among other meetings I will also talk with Mr. Ramphal, Secretary-General of the Commonwealth Secretariat, on the forthcoming Commonwealth Heads of Government meeting in Lusaka and on matters such as the Common Fund.

Countries much larger and more powerful than Australia recognize our unique position and our special experience. We are a developed country with close links with developing countries. We are a significant trader with expertise in marketing of commodities like sugar, wheat and wool.

While we recognize the limits of our influence, we must continue to take an active part in discussions and negotiations on world economic issues. My meetings this week in Manila demonstrate again the Government's strong desire to continue as a responsible member of the international economic community.