



Mr. Yeend

15

PRIME MINISTER

FOR PRESS

29 MAY 1979

AUSTRALIA/E.E.C. BILATERAL TRADE NEGOTIATIONS

I am pleased to announce to the House that today, a settlement has been reached on bilateral trade negotiations between Australia and the European Economic Community, held under the umbrella of the GATT round of MTN.

Honourable Members will recall that Mr Anthony recently concluded trade agreements with United States of America and Japan and that these were signed last month.

The negotiations with the E.E.C. now complete the MTN operations in relation to our three major trading partners. This agreement follows several months of intensive negotiations in Europe and meetings in Canberra over the past two days between the Minister for Special Trade Representations, Mr Garland, and the Vice President of the E.E.C. Commission, Mr F. O. Gundelach.

These discussions have resolved all of the outstanding issues related to a bilateral settlement between Australia and the E.E.C. in the context of the Multilateral Trade Negotiations. The final agreement however, will be subject to confirmation by the Australian Government and the E.E.C. Council of Ministers.

This agreement will provide Australian exporters of agricultural commodities, especially beef and cheese, and industrial products, with improved marketing opportunities in the E.E.C.; opportunities of a more favourable nature than we have enjoyed to date.

In return, Australia has offered a number of concessions on agricultural and industrial items of interest to the Community. Mr Garland will shortly be making a statement on the broad outlines of this agreement and full details will be announced once the package has been endorsed by the Government and the E.E.C. Council of Ministers.

I recall with some satisfaction that it was during my visit to Europe in mid 1977 that agreement was reached with the President of the EEC Commission, Mr. Roy Jenkins, to open high level trade discussions between Australia and the Community.

This had followed personal representations I made to Mr. Jenkins and the heads of key EEC member governments regarding the serious and growing imbalance in the EEC's favour of trading opportunities with Australia, and the effects which EEC export subsidies on agricultural products were having on Australia's trade in markets outside the Community.

Australia's trading opportunities in the EEC and particularly for agricultural products had diminished dramatically since the formation of the Community.

It was the objective of this Government firstly to arrest that decline and secondly to gain assured, increased access for our primary products.

Australian Ministers and particularly Mr. Howard and Mr. Garland in addition to Mr. Anthony and myself, pointed repeatedly to the justice of the Australian case.

I believe as a result of the informed debate which this occasioned there has been increasing acceptance in Europe of the basic correctness of the Australian position.

We did not seek to overthrow the Common Agricultural Policy. It is a corner-stone of the European Economic Community. But we did argue quite successfully that the Common Agricultural Policy could and should be amended to take account of the legitimate trading interests of countries such as Australia.

I note as a matter of record that it was this Government that first presented the Australian case in these terms. This is in stark contrast to the ineffective attitude of the Opposition when it was in government. That attitude unfortunately has persisted in equally ineffective denigration of the now successful efforts of this Government on behalf of Australian producers.

I said earlier that we did not seek to overthrow the basis of the Common Agricultural Policy. As a result our requests were moderate and in quantitative terms the gains may fairly be described as modest in relation to the total world trade in the commodities concerned. But this is the first step forward that we have taken in this area for many, many years. I look forward to further such steps. I regard this as a beginning and certainly not an end of a process of continuing change to the advantage of Australian primary producers and indeed all Australians.

The first stage of our efforts with the EEC has been brought to a successful conclusion and I have agreed with Mr. Gundelach this afternoon that the dialogue between Australia and the Community will remain open at the highest level and that problems will continue to be dealt with as and when they arise.

It is significant that Vice-President Gundelach, who is also the Commissioner responsible for Agriculture, and had been so closely involved in the negotiations with Australia has come to Canberra to see to their finalisation.

Mr. Gundelach is the most senior Commission representative to have visited Australia.

The achievement of a satisfactory outcome to the long and difficult negotiations has been aided by the close working relationship which has developed between Mr. Garland and Mr. Gundelach.

I would also like to pay tribute to the active role played by Mr. Garland in working to secure the final result.

These are all signs that Australia and the EEC are on the threshold of a new and better trading relationship.

Both sides can I hope look forward to a relationship which is marked less by difficulty and confrontation and which builds further upon the undeniable scope for significant increased trade and economic co-operation.