



PRIME MINISTER

TRANSCRIPT OF PRE-RECORDED INTERVIEW WITH NIREE CREED, CROSS COUNTRY, 29 OCTOBER 1989

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CREED: For years Australia and other smaller traders on the world market have been complaining to GATT and anyone else who'll listen about America's policy of subsidising its farmers. Now, it seems, someone has listened. In Geneva this week the United States suggested to GATT, the General Agreement on Tariffs and Trade, that all subsidies be eased out. The American proposal is to end all international agricultural export subsidies within five years and domestic support within ten years. The Prime Minister, Mr Hawke, told Cross Country he welcomed the proposal.

PM: Well, I think the main sector, Niree, that will benefit will be our wheat growers. They have, it's calculated that the, just the price discrimination element of the Export Enhancement Program of the United States, probably cost our wheat growers about \$200 million in the year 87/88 and led to a cut back in production of around six, well probably altogether, the calculation is about one million tonne production or six percent cut back. If you take our barley growers too and you take the market they had in Saudi Arabia, it's estimated that in, I think it's 85/86, had a market of about \$282 million. From there, that's cut back now to about \$16 million in 87/88. Now, they are two areas where our agricultural producers will benefit and so they should. They're the most efficient producers in the world.

CREED: Do you think the Europeans will agree to it? That's the big stumbling block isn't it?

PM: Well the ball is now very much in their court isn't it? I mean, we've been putting the arguments to the Americans and to the Europeans and I think now, as a result of the quite dramatic decision by the United States, the onus is very, very much now on the Europeans. So we in the Cairns Group have been trying to get this position established. I think the Europeans will find it very difficult not to respond positively.

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