

Speech by the Deputy Prime Minister,
Leader of the National Party,
Minister for Trade
The Hon Tim Fischer, MP
at the Cairns Group Farm Leaders Dinner
Sydney, 3 April 1998

Introduction

My co-host, the President of the National Farmers' Federation, Donald McGauchie, Cairns Group Ministerial Colleagues, John Anderson and other Parliamentary colleagues, Mr Frank O'Halloran, Managing Director and Chief Executive Officer of QBE Insurance, Cairns Group Ambassadors and High Commissioners and other distinguished guests.

I am delighted to welcome you to this dinner following what I think we all agree has been a very successful 18th Cairns Group Ministerial meeting and the Inaugural Cairns Group Farm Leaders meeting. I want to acknowledge the major contribution the Farm Leaders meeting has made to our work. I congratulate Donald McGauchie and the NFF for their initiative in this regard. Graham Blight also deserves special mention for his key role in bringing the farm leaders together.

Ministerial Meeting

The outcomes of the Ministerial meeting, as reflected in the Vision Statement issued by the Cairns Group Ministers today, reaffirm strongly the Group's commitment to agricultural liberalisation and reform. It reinforces once again the Group's credentials as a voice that cannot be ignored in multilateral trade negotiations.

In my opening remarks to the meeting, I said that it was historic. It was the first time we have met in Australia since the Group's inception 12 years ago. It was the first time that we have met with industry. And most importantly, it marked the start of the campaign for the next round of agricultural trade negotiations.

After our work over the past few days, I can declare that the battle for truly open and fair markets has now begun. Let there be no mistake, today a unified and determined Cairns Group has thrown down the gauntlet to those rich countries that seek to corrupt and distort agricultural markets.

The Cairns Group has set for itself this very clear objective of ending the second-class treatment of trade in farm goods. We want farm goods to be treated under international trade rules in the same way that manufactured goods are treated.

To that end, Ministers today have released the Cairns Group's Vision Statement, which sets out clearly and precisely the Group's priorities for the next round of agricultural negotiations. The Group wants nothing less than:

- complete elimination of all export subsidies. This includes strict rules on the use of government provided export credits. We are in danger of these becoming a new backdoor for subsidies;
- complete elimination of tariff escalation - which is used to push efficient agricultural processes further down to the lower end of the value added chain;

- deep cuts to all remaining tariffs and tariff peaks, so that there is a major expansion of our access to highly protected markets for farm products, including value-added processed food;
- the removal of non-tariff barriers, without exception, including putting quarantine measures on a strictly scientific basis only;
- a big increase in access under tariff rate quotas; and
- a complete end to all forms of trade distorting domestic subsidies. We will be absolutely determined to hunt out and expose all those clever attempts to hide subsidies that distort production and ultimately lower the prices our farmers get for their efforts.

In addition to setting our negotiating objectives we also discussed strategies and tactics. After the meeting, it is clear the Cairns Group will continue to be the third force in world trade negotiations.

Our next key target will be next month's meeting in Geneva of all Ministers from the World Trade Organisation. From this meeting, we are seeking outcomes to take us up to the start of formal negotiations on agriculture. Cairns Group Ministers will meet in Geneva on the Sunday night before the WTO Ministerial starts, to plan tactics and closely coordinate our efforts.

To ensure that no momentum is lost, Ministers have today instructed their senior officials to remain in Geneva to plan tactics to maintain pressure immediately following the WTO Ministerial.

Importantly, in all of this the Cairns Group is not alone. I am delighted to announce that this morning, Cairns Group Ministers had an opportunity to discuss - via satellite hook-up - objectives, strategies and tactics with US Secretary of Agriculture, Dan Glickman. While respecting the confidentiality of these discussions, I can assure you the US is on very much the same track as the Cairns Group. This was also the first time that the Cairns Group has had such a discussion with the US.

Finally, we will be massively strengthened in our work by the network of Cairns Group Farm Leaders that was created here in Sydney this week. Perhaps we can dub it "The Sydney Group".

Farm Leaders Program

The farm leaders joint statement - another first - passed to us at the opening of the Ministerial meeting, was a clear message about your priorities for the forthcoming agriculture negotiations. It adds considerable weight to our own Ministerial statement.

Throughout the life of the Cairns Group, ministers and officials have always worked closely with their respective national agricultural industry bodies. But this industry leaders' meeting really underlined that close relationship. You, our industry groups, will play a key role in the lead up to the 1999 negotiations.

The trade strategy seminar organised as a part of the farm leaders' program was a valuable initiative.

The presentation by the President of the American Farm Bureau Federation, Dean Kleckner, on "Agriculture and US Politics" was obviously of great interest given the central role we hope the US will play in the coming negotiations.

I am pleased that the farm leaders were able to tour agricultural production facilities in New South Wales and that this aspect of your visit to Australia went off so well. As a farmer myself, I naturally support any chance to highlight our national agricultural capacities which you will have seen are amongst the best in the world.

Donald McGauchie and the NFF

The Farm Leaders meeting, culminating in this dinner, marks a fitting farewell for Donald McGauchie, who is about to step down after four years as President of NFF.

Donald was elected President of the NFF in May 1994 after having served as President of the Grains Council of Australia. In both these roles he has very ably represented the agriculture industry at state, federal and international levels.

Donald is as well known in government circles as he is in the rural sector. He has numerous state and federal appointments including as a member of the Prime Minister's Supermarket to Asia Council.

In all of those positions Donald has been a staunch defender of Australian interests and has shown very clearly that he is one of this country's most consistent and effective advocates of free trade. Donald has spent a great deal of his time as President of the NFF articulating the free trade message in Europe and the United States - not always to audiences where his message has been especially welcome.

The NFF's role in planning and organising this farm leader's meeting is typical of Donald's vision and drive. I would like to use this occasion to pay tribute to him and commend him on what has been undoubtedly a very successful initiative.

Conclusion

For Cairns Group Governments, this meeting was very much a contemporary replay of our first meeting in 1986. We are setting off once again to ensure that agricultural reform is at the centre of the trade policy stage as we move to the 1999 negotiations. This time we do so with the advantage of the commitment in Article 20 of the Uruguay Round Agreement to further agriculture reform, and the knowledge that we have worked together to achieve major success over the past 12 years.

The task is significant given the extent of resistance in protectionist, high support countries. But I am pleased this meeting has demonstrated that our will and resolve have continued to strengthen. And it gives us great heart to know how solidly, and with what determination, Cairns Group Farm Leaders are behind our efforts.