

upcoming Cairns Group meeting. Prime Minister Hawke outlined Australia's position for agricultural reform earlier in the year at Davos, Switzerland. Both positions are similar in thrust and complementary.

The Canadian principles state that agricultural policies should be designed so as not to adversely affect international trade. To this end and progressively over time:

1. Agriculture policies must become more price responsive.
2. Support for agriculture should avoid production incentives, ie, support should be for farmers not farming.
3. Countries should freeze and seek to reduce governmental assistance measures that artificially distort world prices.
4. Countries should not introduce new import barriers not mandated by existing legislation.
5. These basic principles must be implemented collectively.

In discussions with the Honourable John Kerin, Minister for Primary Industry, and the Honourable John Dawkins, Minister for Trade, Ministers agreed on the desirability of increasing two-way trade and investment and noted the important role the exchange of tariff preferences have played to date in fostering bilateral trade. Miss Carney also received assurances that Canada's bid on the Australian Frigate Program would be given very careful consideration by the Australian Government.

Miss Carney also took the opportunity to review Canadian concerns over Australian quarantine restrictions on the impact of Canadian frozen salmon and pork.