



AUSTRALIAN-AMERICAN ASSOCIATION LUNCHEON

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Speech by the Prime Minister, the Rt Hon. W. McMahon, CH, MP

May I formally express to you the admiration that I have for all that the Association is doing. And I believe it is doing it in the interests of our two countries - that is our continuing friendship with the United States, which I want to stress, the United States being the acknowledged leader of the free world, and our great partner, as you all know, in the Pacific.

Today I want to talk about that friendship in a very special kind of context. That context is the changing situation in Asia, with all its great potential for good, and also, of course, its dangers.

And I think that I'm speaking here at an appropriate time too. Because even though a few weeks ago people could have felt that the dangers were remote, I think the days have come when we all realise that the unexpected can happen, and can happen in an unfavourable way for us. Because who would have thought three weeks ago that we could have had another offensive from the North Vietnamese on the South Vietnamese, with all the attending danger and all the potentialities that that could bring in its wake.

Now I'm sure you know the position of the super and the great powers in the Asian area. Japan, for example, has become a superpower economically. China now moves into new associations with the rest of the world. The Soviet is showing an increasing interest in Asia and as you know, the North Vietnamese are increasing attacks on South Vietnam. The Nixon Doctrine is one which calls on nations of the world, particularly in the Asian theatre, to do more in their own defence and to have greater regional co-operation.

And running through all this, is what they call the bilateral relations or relationship between various countries. The most of these happens to be the dramatic visit to Peking and other parts of Continental China by the President of the United States.

Now, I think you know that we have been busy for a long time ourselves, trying to establish what is called a dialogue with the Peoples' Republic of China. We were successful, but immediately after the admission of the Peoples' Republic into the United Nations, the dialogue ceased.

But it has again been resumed. I think it is not unfair to say that even some time before the US took an initiative, we were taking one because it was our view that the PRC should be brought into the international world -- that it should be able to talk at the United Nations, to make its views known, and to permit others to make their views known to China as well.

There have been other developments, of course, but I won't go into them to any great extent, other than to mention the potentials of hostility between China and the USSR and America's relations with Japan and the changing context in which these relations are taking place. And also the visit soon to take place by President Nixon to the Soviet Union, which we hope can lead to a greater detente, disturbed a little, I must confess, by the events in North Vietnam and South Vietnam over the last few weeks.

Now when I refer to the superpowers, I want you to know that I refer to the United States and the USSR. These are superpowers in strength of resources both military and civil. What I want to point out to you is what the superpowers are doing, and consequently, the way in which we must look at our problems. We must understand what impact their influence can have upon us. Among the smaller Asian countries and, I believe, in others in the region, including Australia, the idea of seeking Asian solutions to Asian problems is growing.

I remember when I went to the Djakarta Conference in order to see what we could do about peace in Cambodia, or a guarantee of peace. That was the first time I heard the Asian peoples themselves say "Can't we create an Asian identity?" Not an identity of disparate nations or independently pro-nations who weren't strong enough to look after themselves, but couldn't we in fact create an Asian identity that in terms of trade and mutual security will be able to play our part in our constant growth and development, and would be an impediment to aggressive or subversive action by others?"

But I did refer too, Mr President, to the necessity - or I should have referred to it under the Nixon Doctrine - for each country to be able to do more in the protection of its own interests. Not that I believe that it means the United States is likely to leave them alone under all circumstances. But what I am sure about is this. The more you do for yourselves within your own capacity, the greater will be the desire and the wish of the United States to make a contribution to the defence and to the freedom of those countries as part and parcel of the defence and freedom of the free world.

But I want to emphasise that no country can go it alone under all circumstances and conditions, and simultaneously make a contribution to the peace and prosperity in this part of the world in which we live.

I emphasise, too, that this is not a wealthy part of the world, leaving Japan and ourselves out of it. There are many parts where for humanitarian reasons we all have to help, particularly, Bangladesh. We've all got to try and make a contribution to see that these people are able to have the good things of life in the same way that our own people can enjoy them today.

So I want to turn to this question of co-operation - co-operation in order to cultivate a stable climate for peace and development. This is what we are trying to do in the Asian context.

What we want is a climate to which the United States will continue to make a contribution. We want this trend to continue - this trend of co-operation - not only with us, but with all people, of all free people, particularly in the Asian theatre. I can assure you, as the Head of Government, that we will do all in our power, to be able to make our contribution in whatever way we can.

These are the reasons why Australia has welcomed the development of ASEAN, and is taking an active part in such regional organisations as SEATO, ASPAC, ECAFE and the Asian Development Bank. This is the reason why we have established the Five Power Defence arrangements with Malaysia, Singapore, New Zealand and the United Kingdom.

I can assure you that those arrangements are welcomed by the Malaysians and the Singaporeans, no matter what you might have heard from other sources. I add that the Prime Minister of Malaysia, Tun Razak, does not regard these arrangements as incompatible with the ASEAN objective of regional neutralisation.

It is for this reason, too, that we have a programme of defence co-operation with Indonesia. Recently we had President Soeharto down here, and I think we realised more emphatically than we've ever realised before how much they wanted to co-operate, and how much we think it desirable that we should co-operate with them.

Recently we have been able to approve the gift of a fairly large number of Sabre aircraft to Indonesia and of help in the construction of the airfield at Iswahjudi, so that they will have aircraft that will be able to make a contribution to their deterrent effect in the Asian region.

I also want to mention that for the last five years, our programme of what is called Government aid, but frankly which I should call your aid because you make the contribution in terms of financial assistance and taxation. We are third in the world as a giver of Government or national aid to the developing countries, and a large part of this aid does go to Indonesia.

Government aid is the financial and material assistance we give expressed as a percentage of our gross national production. You will be glad to know that we are pretty high up in world affairs with the amount we give - something like 1 per cent of our gross national production. That is the goal that is set by international organisations when they ask other countries to be of assistance.

Now it is sometimes said - and I've said this before, particularly at the National Press Club in Washington, that we are a satellite of the United States and that this might affect our standing in Asia. I want to assure you this is nonsense. We are free and independent and, I believe, respected throughout the world, not only for our growing maturity and independence of thought and action, but because they know we are reliable friends.

During my recent visit to the United States, I said more than once that Australia is a partner with the United States in many areas. In my discussions with the American leaders, they responded warmly to the concept of partnership between our two countries. And I think I can emphasise that the ones who responded most warmly to the concept of partnership were those members of the Administration under President Nixon who had an intimate concern with Australia and wanted to make sure that relationships between the two countries improved.

As an act of policy judged to be in our national interest, we have decided closer relationship between the two countries will be to our mutual advantage. Now this choice does not foreclose differences of opinion nor does it foreclose different policies on different issues.

It is happily reinforced by a genuine warmth of feeling and mutual understanding which your Association has done so much to achieve. But the point I want to emphasise now is that our partnership with the United States is based, in the first place, on a hard-headed assessment of mutual national interest. And I think you can take it for granted that in international political affairs, naturally enough each country thinks first and foremost of its own national interest, and then of the contribution it can make to the solution of the problems of world affairs.

I have to emphasise to you that when we are looking at our international relationships, of course, the first consideration is national interest rather than that of other countries. Our formal partnership finds expression in the ANZUS Treaty. The assurances which I received from President Nixon in Washington, spontaneously received, have been reinforced by what he said in his recent state of the world address.

We in Australia, I can assure you, welcome this confirmation. And we also regard ANZUS as central to our Asian policies. It is a defence treaty, and something more. It must not be turned into a solely social welfare concept as some of our opponents are trying to turn it.

It is the framework for a wide-ranging system of co-operatin covering all fields of international relations. The emphasis on self-reliance has long been basic to our foreign defence policy, and I believe that it antedated the Nixon Doctrine.

I say this only because I want to emphasise the independent kind of action we take and the way in which I think the new Department of Foreign Affairs is constantly alert to the need for new initiatives whenever we feel that it will be in our own national interest.

But what this self-reliance is, is one within the framework of our alliance with the United States. Inevitably, and this ought to be stressed, we have followed parallel policies to those of the United States in a number of what I shall call ASEAN initiatives. We have done so when we have thought it would be in Australia's best interests that we have those mutually accommodating policies.

May I take one exam ple, and that is our negotiations

with China, which is now after years in the wilderness a member of the United Nations. I announced that Australia was seeking to normalise relations with the People's Republic of China shortly after I became the Prime Minister.

I well remember that paper, prepared as it was by the Department of Foreign Affairs and myself, because I think it did start a new epoch for Australia, and drew attention in the most forceful way to the changes that were occurring in the Pacific. And I want to emphasise that it was taken at a fairly early date so far as the Western countries are concerned. It is the nature of things that a superpower, such as the United States, would have much more scope for a dialogue and for a wider range of issues with another great power, than one of the medium-sized countries like ourselves, because it is not so exposed to a demand for making important concessions on major issues.

Now Australia is, understandably, in a different position to the United States. As I said following the Nixon visit, I hope that all nations would be treated alike by China. That hope has not so far been realised. But we hope it will come. Now I can assure you that the dialogue which did temporarily end immediately after China entered the United Nations has now been reopened, and I believe, is proceeding on a sensible and, I believe, reasonable course.

Now, Mr President, we have parallel policies on many issues with America, so, too, do our policies diverge in other areas. Let me give you an example from the past. During the confrontation in Indonesia a few years' ago, Australia maintained its relations and contacts with that country. And we did so because we believed that if we weathered the storm, a firm foundation would be prepared for better relations in the future with Indonesia. And our wish and our intentions have come true.

This policy has paid handsome dividends, and is underlined by the recent visit of the President that I referred to a few moments ago. Again, but not so much on exactly the same scale, but again during the recent crisis on the Indian sub-continent, our policy again temporarily diverged from that of the United States.

Although we were, and remain, anxious to maintain our friendly relations with Pakistan, we took the view that peace and stability in the region were likely to be best served by our immediate recognition of Bangladesh. So Australia did take the initiative, not only in the Asian theatre, but in the United States and amongst the continental countries in order to see if like-minded countries could join, and join as quickly as they could in recognition and in giving assistance to that country.

The fact therefore is this. I hope those two points that I have mentioned make it clear that our policies are Australian, and I believe recognised as such and respected as such in Asia.

Much as our opponents contest this view, our alliance with the United States is understood and accepted in Asia and in many cases it enhances our standing and importance in the region. So we do get the indirect benefit of the very friendly and worthwhile relationships which we have with our great neighbour over to the East.

But of course we can't afford to let this be taken for granted. We must continue to develop a distinctively Australian role in the Asian region. And we are moving in the right direction in demonstrating that we are helpful and we are co-operative with them.

I have spoken already of the hopeful signs of great power accommodation, of growing confidence and co-operation within the region itself. There remain problems in the region which are cause for concern. I mention again the position in South Vietnam. The invasion by the North in blatant defiance of the Geneva Agreements is causing the South Vietnamese Government its greatest test. This, I emphasise, is aggression, naked and unashamed, and is being increasingly accepted as such by most people even those in the Western world who a few months ago were critics.

Now it's still too early to speak with confidence about the outcome. But what we can say, and what we can emphasise, is that because the Americans and their Allies, including Australia, have done so much fighting and training and rehabilitating in the South, the South Vietnamese Army and the South Vietnamese people are now better trained, better armed and able to take this onslaught in a way they would not have been capable of taking three or four years ago. I can assure you, too, that it is giving a good account of itself.

I do ask you all to note that the offensive now is almost wholly by the North Vietnamese. The Communists have not launched this offensive - as they did at the time of the Tet offensive - in the mistaken belief that there would be a spontaneous uprising of sympathisers throughout South Vietnam. The war in Indochina is likely to remain with us for some time to come. We want to negotiate a settlement. And we will continue to seek a peaceful one, but the inflexibility of the Communists is against an early settlement and we can see no prospect at the moment however much we and America and our friends will try in the intervening period to get one.

In the meantime, the Government will continue to assist the South Vietnamese in other ways, even though our troops are home now. In particular, in economic development and other aid, we will continue to play our part.

Now there are, of course, other areas of concern for us in Asia, including the great humanitarian tasks and development problems facing the people of the region.

This is the situation in Asia as we see it today. The picture is a hopeful one. It is also a dynamic one. Recent changes <sup>in Asia</sup> have been staggering compared with centuries and centuries of little change.

Change is everywhere and everything is changing. We must, in Australia, be alive to these changes, flexible in our approach, and we must be willing to take the initiative in meeting the demands of this new situation, whether it might be in terms of defence and security, whether it is in terms of aid or personal visits, whether it is in terms of friendship and co-operation. In each and every one of these areas, we and the United States must, and I am sure will, be prepared to play our part.

The free world does hold many initiatives. Australia's policies in Asia, based on our alliance with the United States, are, I believe, one of the keys to a stable and prosperous future for the world in which we have to live.

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