



PRIME MINISTER

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**SPEECH BY THE PRIME MINISTER
FOREIGN CORRESPONDENTS ASSOCIATION OF AUSTRALIA
SYDNEY - 14 JUNE 1989**

On Friday I will be departing on an overseas visit that will take me to France, the United Kingdom, the United States, the Federal Republic of Germany and Hungary.

The visit, which concludes on Monday 3 July, is an important one for Australia.

It follows my earlier visits to Moscow, with a stopover in Japan, in December 1987, to Washington in June 1988 and to the ROK, Thailand, Pakistan and India in February of this year.

I had planned to go to China in October but, as you know, the tragic and brutal repression of the pro-democracy protestors in Beijing has ruled that out.

All these visits are carefully timed elements of a consistent pattern of personal diplomacy.

As well as pursuing essential bilateral issues, my overseas travel is always carefully calculated to provide Australia with linkages at the highest level into the key global political and economic centres - centres which have an important influence on the shaping of events directly relevant to Australia and our region.

This forthcoming visit is a further element in this strategy and has been carefully tailored to coincide with a number of key events and developments.

The Bush Administration has now been in office for six months and has substantially completed its review of foreign policy. The United States of course remains central to Australia's foreign policy and defence interests and is the world's largest single economy.

The NATO Summit has just been held and important disarmament proposals outlined by Presidents Gorbachev and Bush are on the table.

EC Heads of Government are meeting on 26-27 June - an important step on the way to the proposed 1992 Single Market. Three of the countries I am visiting are leading members of the EC. France will, in fact, be taking over the EC Presidency from 1 July.

The G7 group of countries will be meeting in Paris on 14-16 July. Four of the countries on my itinerary are G7 members.

The United Kingdom has very important historical and other ties with Australia, and a highlight of my visit will be the unprecedented range of ministerial talks, covering foreign affairs and trade, defence and industry and commerce.

The Federal Republic of Germany is at a focal point in East-West relations.

France is in the midst of celebrating the bicentenary of an event central to the development of liberal democratic thought - the French Revolution.

Despite the severe jolt the events in China have given to the very positive changes taking places around the world, these changes are continuing elsewhere, including in Eastern Europe, where Hungary is at the forefront of change.

The Australian Government has been continuing its process of economic reform and it is important that this be understood at the highest levels of our key trading partners.

We have also made firm decisions in respect of the Antarctic, which are of direct interest to the five countries I am visiting, four of which are active members of the Antarctic Treaty System.

So for all these reasons, this visit will be a very important one, coming at a critical time in world affairs and dealing with issues of great significance for Australia.

While I have previously visited France, the UK and the United States, I have not visited the FRG as Prime Minister and my visit to Hungary will be the first ever by an Australian Prime Minister.

I have previously met the leaders of the United States, the UK, France and the FRG. All four - Mr Bush, Mrs Thatcher, Mr Rocard and Chancellor Kohl - are people for whom I have a great deal of respect and with whom I enjoy good personal relations. They are all people with whom I can talk frankly and discuss substantive issues in detail, even where our views do not always coincide.

While I have yet to meet the leadership in Hungary I am looking forward to meeting people who are, with obvious courage and vision, tackling such a crucial task of reform.

It would not be proper to go into detail now about the discussions I will be having overseas; but there is a number of topics of obvious significance on which I will be very keen to hear the views of my hosts and to put Australia's views.

I will be discussing with all leaders their perception of the very positive changes that have taken place in East-West relations and the changes that are taking place in Eastern Europe.

It is important in terms of our own political and economic interests that, wherever possible, these changes be given constructive and positive encouragement.

Events in China are still unfolding, but I will naturally be exchanging views with my counterparts about the possible implications of developments there for the wider region and beyond.

Other key issues include:

- The developments in arms control in Europe, especially the proposals put forward by Presidents Bush and Gorbachev;
- Global disarmament issues, especially the need for all countries to pursue actively matters relating to nuclear non-proliferation;
- A chemical weapons convention and the Government Industry Conference on Chemical Weapons to be held in Australia later this year;
- Strategic change in the Asia-Pacific region with particular reference to China, Indo China and Afghanistan;
- Developments in the Pacific;
- The Middle East peace process and the tragic fighting going on in Lebanon;
- Southern Africa and the need to maintain pressure on South Africa to end its abhorrent apartheid policies.

One further, and very crucial, issue, which will recur throughout the visit, will be the environment.

As I suggested earlier, I will be outlining in the clearest terms Australia's concern to prevent mining in the Antarctic and the need to provide a comprehensive environmental protection plan for that continent.

Matters such as afforestation, the ozone layer and the greenhouse effect will also feature prominently in my discussions, especially against the background of the recent Hague Declaration and the London Ozone Conference.

My discussion of these issues will be particularly relevant, given the Government's forthcoming major statement on the Environment. Environmental concerns are global and cut across national boundaries, and it is important that our own policies take account of the international dimension.

In addition to these global and regional issues, there are equally vital issues at stake in this visit for Australia's specific economic and trade interests.

Over the years, Australia of course has placed very great emphasis on our links with our Asia-Pacific region. But that emphasis in no way detracts from, and should not be seen as in any way excluding, our older, and still vital ties with Europe.

Some trade and investment statistics demonstrate this very clearly.

The United States, the UK, West Germany and France were, in 1988, all among our top 12 trading partners.

The United States was Australia's second largest trading partner with the total value of two-way trade a little over \$13.5 billion. The UK was our third largest trading partner with total trading in excess of \$4.6 billion, the FRG fifth, at \$3.9 billion and France eleventh, at a little over \$2 billion.

Between them, the United States, the UK, the FRG and France provided, in 1987-88, a combined stock of foreign investment in Australia of over \$91 billion - or just under half the total stock of about \$190 billion in foreign investment in Australia.

The UK and the United States were ranked first and second respectively, with investments in Australia worth \$44 billion and \$39 billion. The FRG is ranked sixth with almost \$6.5 billion, while France is ranked thirteenth with a little over \$1.5 billion.

As for Australian investment abroad, just under half is located in the United States and the UK - a combined total of about \$31 billion.

West Germany and France are of lesser, but still substantial, importance as locations of Australian investment.

Hungary is not, of course, a major trading partner but I am confident that there are significant prospects for Australia business in that country, especially with the rapid process of reform taking place and the keenness of its leadership to be integrated into the global economy.

These figures speak for themselves. The economic policies pursued by the countries I am visiting are of very direct relevance to Australia in a real and practical sense.

So it is important that on this visit I will be discussing, first, the outlook for the international economy, with particular reference to the policy settings that we believe ought to be pursued by G7 members.

Second, and of great importance, I will be discussing the need for countries to continue pursuing reform of the multilateral trading system.

Australia's views on the protectionist policies of Europe and the US, especially in regard to subsidisation of farm products, are well known. I can assure you that I will not be wasting the opportunity this trip provides to repeat those views forcefully, both in public and in private.

I note as well that one of the countries I am visiting - Hungary - is of course, a member of the Cairns Group which has played such an important role in the current GATT round of negotiations.

I will also be making clear our interest in a liberalised and open Single Market in 1992.

Finally, regional economic cooperation in Asia/Pacific, which very directly involves the US and is of considerable interest to EC countries, will also feature on the agenda of my talks.

In addition to these important policy questions my visit will have a very practical focus by providing Australian business with further opportunities to pursue their interests.

In London I will be opening a Trade and Investment Conference which will be attended by almost 300 business leaders from the UK and Australia. This is the largest Conference of its kind held between the two countries and, I am confident, will be an important factor in the further promotion of our already important economic relationship.

In Paris, Bonn and Budapest I will be accompanied by a smaller group of Australian business executives from some of Australia's leading companies. They will not only have an opportunity to talk to their business counterparts but will have direct access to the economic decision-makers of these countries.

It is important for Australian companies to take an increasingly global perspective to their operations and nowhere is this more obvious than in the lead-up to the European Single Market.

At the same time, my Government is keen to encourage foreign investment in Australia, especially in the manufacturing and the high-tech areas, and this is something I will be taking up directly with the Government and business leaders of the countries I visit.

In summary, this is an important visit for Australia, whether you consider the economic, political or security aspects of it. At this important time, Australia must make its presence felt, must make its views known, and must do what it can to build a world in which our values - shared values of democracy, freedom, and multilateralism - can thrive and prosper.
