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**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
INTERVIEW WITH FRAN KELLY - AM PROGRAMME**

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**KELLY:**

Prime Minister, you said that this wasn't a fence mending trip to China, but are the fences mended now anyway?

**PRIME MINISTER:**

We have a very good relationship. It's much better as a result of this visit. It's based on the twin pillars of mutual benefit and mutual respect. It's a relationship that has a very heavy economic focus. We have made some positive gains on that front over the last few days with the hope of more to come. Given the size of China it's very important that Australia have a good working relationship but a relationship that reflects the fact that we are different societies. We have our values which we defend and won't compromise. Equally, China has her way of doing things which we understand and respect.

**KELLY:**

Well, in concrete terms what's come from this trip?

**PRIME MINISTER:**

Well, in concrete terms we have the ANZ Bank license. We have the prospect of progress in a number of the commodity areas. We have the arrival in, I think, July of this year of a team from China that will conduct a feasibility study about a directly reduced iron process that could open up - I stress could - an export market of half a billion dollars a year and create 2 000 jobs in Western Australia and involve the use of large volumes of LNG. There is also the hard to quantify but nonetheless tangible benefit of the increased person-to-person business links. I took with me the most powerful delegation of businessmen and women that have ever accompanied an

Australian Prime Minister abroad. They established very good contacts. The Australian Stock Exchange had a seminar which explained the benefits of listing and brought many Chinese people in business into contact with the services in the financial sector that are available. So they're very significant benefits.

**KELLY:**

Prime Minister in terms of human rights, you've proposed a dialogue on human rights. The Chinese Government's pointed out today that there was a dialogue that existed before Tianamin Square. Paul Keating proposed a dialogue again when he visited in 1993 and you're still asking for it. What is new about the approach that you've suggested?

**PRIME MINISTER:**

Well we have a new government and we're going to pursue it. I didn't take the proposition lightly when I put it and we intend to pursue it and it will be pursued.

**KELLY:**

Today the Chinese Foreign Ministry welcomed the notion of a dialogue but they made it clear that it was conditional on Australia not sponsoring any UN resolutions condemning China on human rights as we have done since Tianamin Square. Will the Australian Government meet that condition?

**PRIME MINISTER:**

Well we will make a decision on that UN resolution if and when the time comes for such a decision. It's not at all clear to me as to whether that resolution is going to come up again and if it does well we'll then make a decision. I'm not going to telegraph what that decision will be, we haven't taken it yet. But we will obviously take it based upon a proper assessment of all of the things that you ought to take into account on something like that. I'm not acknowledging for a moment any formal link between those two things.

**KELLY:**

Are you happy with China putting that condition, or appearing to put that condition, on a dialogue taking place?

**PRIME MINISTER:**

Well what I'm saying is I'm not sort of accepting any conditionality.

**KELLY:**

China is essentially saying though, isn't it, that it will enter a dialogue on human rights but only if Australia changes its stance - that, in other words, the link is conditional?

**PRIME MINISTER:**

Well that wasn't said yesterday in my discussion with the Chinese Premier, nor was it said by him over dinner last night when we discussed it. The Foreign Ministry might put out some kind of formal blurb but there wasn't an element of conditionality yesterday. Look, we will make a decision on the UN resolution according to our own assessment of that if the circumstances arise. We've put a proposition in relation to a dialogue. The two are not formally linked as far as we are concerned.

**KELLY:**

And how was that proposition received then both in the talks and over dinner by the Premier, Li Peng?

**PRIME MINISTER:**

Oh, I thought quite well. But these things take time. We had to get the right balance. We had to pursue our national interests. We also had to make it plain to our hosts that things like human rights issues could never be regarded as out of bounds in a relationship between Australia and China and that is why I handled it in the way that I did and I think it was the right balance.

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