

ADDRESS BY THE PRIME MINISTER TO THE CITIZENS  
CLUB DINNER, SYDNEY, MAY 13, 1971

Tonight I hope you will permit me to speak about where we are going and what initiatives we are taking in novel areas of international affairs that up until a few years ago we had not been concerned with. By that I mean - our diplomatic international relationships with Japan and the emerging world powers immediately to the North. That is with the two Communist countries - Soviet Russia and the People's Republic of China - that is Mainland China?

I do this because in each case I want to speak to you about the dates on which the initiatives were first taken beginning in April 1970.

Before I get into the body of my speech I want too - purely for the purposes of identifying the dates - to mention the dates on which subsequent initiatives were taken.

In May 1970, we were looking at papers, position papers and documents that were subsequently presented to the Ministry, relating to a new approach to Japan. In March of this year, we considered papers relating to China, that is, the People's Republic of China - Mainland China. Every single phrase that has been used lately, and that I will use tonight, have been taken out of those basic documents.

And finally, we had - in April of this year - a paper relating to our relationships with the U. S. S. R.

I mention these dates purely to point out to you that the Department of Foreign Affairs has been doing this work and that we haven't, as it were, been forced by ping pong diplomacy to take the kind of action recently taken.

I had the great pleasure in every one of these cases to initiate the policies that I will mention to you.

If anything is to be gained on behalf of the Commonwealth Government, I can assure you that each and every one of the proposals has received the full endorsement of Cabinet, and of the Ministry.

Whilst I am going to speak about Japan, the U. S. S. R. and the People's Republic, I don't want you to think that I am forgetting our great permanent and powerful friends in the United States, and in the United Kingdom.

The United Kingdom is still using its benign influence for good in South-East Asia, and has joined with us in the post Anglo-Malaysian defence agreements. And the United States, of course, has been the most powerful influence for good and for the salvation of the free world since World War II. And it will still be expected to play this role.

Tonight, I want to speak to you about both our bilateral and multilateral relationships with the countries I have mentioned.

By "bilateral", I mean our direct relationships, diplomatic and other relationships between two countries without the intervention of third parties. And by "multi-lateral" relationships, I mean those relationships between ourselves and a dozen and one other countries as, for example, in the United Nations and the Asian Development Bank and similar types of institutions. Over and over again, you will hear me use the words "bilateral" and "multilateral" and I make this very brief explanation so that you won't be kept in the dark about exactly what I mean.

Now I want you, too, to understand that we are a great trading nation. We are, per head of population, as great as any other country. But we also have to remember that besides the interest we have in trade, we have other international relationships as well. We want to achieve political stability in the area in which we live, to help others in the economic development of their countries and the overriding objective we have in international affairs - that is to play our part to the maximum of our capacity to ensure that the people of the future - the young children of today and those who will come after us - will have a better opportunity to live under more peaceful conditions than you and I have been able to live in.

So this, then, is the basis on which I want to speak to you tonight.

May I then turn to Japan - the paper that was presented in May of last year.

Japan is one of our great trading partners. In fact, in terms of total trade, it is the greatest trading partner we have. Our exports to Japan top the list. She is by far and away the greatest importer of what we produce. In terms of imports, she runs third only to the United States, and in terms of total trade she is second only to the United States.

It was for this reason, more than for any other, that I started the discussions in the Department of External Affairs, early in May 1970. I then established with the approval of the then Prime Minister, Mr. Gorton, the strongest inter-departmental Committee that we could establish in order to consistently look at our policies and to ask ourselves: Can we improve them? Can we improve them for the benefit of our own people?

This worked very well, and you people will know that we have now established not only trade, but in other kinds of relationships, the most close relationships with Japan.

What then of the future?

Let me mention that in ten years' time, Japan will be unmistakably the second most powerful productive country in the world. And because our two economies are complementary - and there is an enormous degree of complementarity between the kinds of goods they want and we are able to sell to them, and the kinds of goods they have and are able to sell to us, that our future trade relationships with Japan offer enormous opportunities for us. It is axiomatic that the greater your trade, and the greater the amount of foreign exchange you can earn, then the greater the prospects you have got for productivity increases and also for better standards of living of our own people.

So we have this complementarity, and as I have said, as Japan grows, then it is axiomatic that we will grow too.

I also want to mention other factors associated with this period as Minister for Foreign Affairs. Japan started to change its low posture to an exercise of a kind of global influence that a country of its power should start to exercise. At the Djakarta conferences, Japan for the first time took an initiative in order to help to try and achieve peace in Cambodia along the lines of the Geneva Conventions and Protocol of 1954.

I believe that Japan is moving definitely, precisely, calmly, but still with a low posture, to play its part in trying to achieve political stability in South East Asia.

But it is not of Japan that I wanted to speak to you tonight. It is rather of the U. S. S. R. and of the People's Republic of China and of China I want to speak at considerable length.

When I speak of these two countries, I want to remind you of certain assumptions and of certain principles that flow from them.

The first one is that we must recognise that both of these countries have different political and social systems to ours. Both of them base their foreign relations on different basic ideologies. Theirs is a philosophy of centralised government, of a political system that depends on the Party as the dominant element in political life - the Dictatorship of the Proletariat. They concentrate on the Party itself. It is the political organisation which determines not only their internal but their external relationships as well.

We, on the other hand, believe in representative government. We believe that it is the people who are sovereign, it is they who support a Party, and through the Party determine who will represent the people in the National Parliament itself.

I want you to understand that whenever we are thinking of trade between a communist country and ourselves, we must remember the differences particularly that we have a free press and freedom of expression, while theirs is controlled and their people know little or nothing about what the real objectives of the government might be.

This is tremendously important under present circumstances, because if I can use Rob Askin's phrase of ping pong diplomacy, let us remember that we are not going to gain a great deal out of ping pong diplomacy.

We have to look much further and ask ourselves when we are engaged in dealings with them : What are we likely to gain out of it in the long term, in the medium term and in the short term as well?

And on every occasion when we are making a decision, we must, as all businessmen must, prepare a profit and loss account.

And we must always, when we are adding up the sums, ask ourselves the single question. When we look at the total final figures - are we sure that they will be in the black and to the advantage of this country.

Having said that, I mention two other principles associated with it. I want you to realise that when we are dealing in either bilateral or multilateral relations with other countries that we must not think that because they have different political systems to ours that that fact alone should prevent us from entering into negotiations with them.

That is far from the truth. The mere fact that they happen to be socialist or communist is not in itself sufficient reason to prevent us from entering into negotiations with them.

And the second principle that I want you to realise is that even though you recognise international law, that recognition does not mean that you approve of the policies of the government recognised. It merely means that you look at the facts of life objectively, pragmatically, coolly and calmly and then ask yourself the simple question - if we take a certain course of action, what advantage has it for the Australian people and the Australian nation?

This brings me to the next country I want to speak about at this dinner tonight - Soviet Russia.

I don't have to draw distinctions in this case between multilateral and bilateral negotiations because they are in fact a member of the United Nations and they have diplomatic relations with us. They have their Ambassador and Embassy here. We have our Ambassador and Embassy in Moscow. So I don't want to speak to you about that. What I want to speak to you about is this:

The Soviet, has in recent months, been saying they would like better relationships with us. They have been asking us if we would give some earnest of our willingness and of our ability to improve our relationships. To indicate to them in reply what we would like. They would like to be able to ensure that they had better trade opportunities with us too.

In recent weeks we have been able as a government to show the Government of the U. S. S. R. that we were prepared to make certain concessions to them as an earnest of our intention. We have decided - and we have communicated this to the Soviet Government - the concessions we are willing to make. We will be delivering an aide memoire setting out the details. The terms and conditions under which the concessions will be made will be communicated to them in the next few days.

We have agreed at their request, that we will permit the Soviet to establish a trade office in New South Wales. I mention this specifically Mr. Askin, not because I am a Sydneian, but because it happens to be the place chosen by them. Primarily this office will be for the purpose of commerce and trade, of trying to increase commerce and trade between the two countries. I hope, looking at the balance sheet it will be of advantage to us.

Secondly, because Russia has recently joined the Continental Shipping Conference they asked that they would like the Baltic Shipping Company to establish an office in Sydney. We think this will give us access to ports to the South of China, but also Asian Russia - and the opportunity to be able to sell our goods and services there.

Thirdly, they have asked us, if we could agree to visits by Ministers. That has already occurred.

Their Minister for Agriculture, a member of the Central Committee of the Communist Party, has visited Australia - Sir John McEwen has visited Russia.

They have also proposed, and we have agreed, that there should be missions, or delegations of Parliamentary Members to move from one country to the other.

This, I believe, shows our good will and the fact that we want under the conditions that I have mentioned to show an earnest of our intentions despite the fact that we know they are building up their forces in the Middle East, beyond what is necessary for peace-keeping purposes there. They are suspect in some regards, and we are entitled to be sceptical. Nonetheless they took the initiative and we have responded. From now on, at least the ball will be in their court. At least we can say this that so far as Australia is concerned: They have indicated clearly to us that their recent decision to purchase millions of pounds of Australian beef was based on their desire for good relations with us.

That is our position with regard to the U. S. S. R. I now turn to the part of my speech that I want to emphasise tonight.

I want to emphasise to you that every phrase I use was coined some time ago and certainly a long time before the ping pong diplomacy was invented and practised under the skilled guidance of Mr. Chou En-lai. The China Paper was prepared in February of this year. Let me talk about the People's Republic of China and let us look at our relations in both a multilateral and a bilateral way.

In multilateral terms. We believe they are anxious to become a member of the United Nations. The suggestion has made from time to time that China wants to adopt a global approach. They are entitled to do so as a great power. Consequently, those who have watched the United Nations have been asking themselves the simple question: What do we think are the prospects of the People's Republic becoming a member of the United Nations in the course of the next year or two?

I want to say to you clearly and emphatically that there is little doubt at all, in fact it is almost certain that this year or next year, Mainland China will become - particularly if it makes certain concessions - a member of the United Nations and will hold the permanent seat in the Security Council that is now held by Taiwan China.

In the face of this inevitability, we will do nothing to obstruct it. We do so against this background.

The Government in Peking is the defacto government and is responsible for 700 million people. It controls the land mass of Mainland China.

So too does the Government of Taiwan China exercise power and control over 14½ million people and over the territory, that is comprised within the jurisdiction and central writ of the Government of Taiwan. It is our view, therefore, that as the government of Taiwan has lived up to the principles of the United Nations we should assist it to remain a member. We are trying with all the influence we can to sustain the position of Taiwan, and give it the opportunity to remain in the United Nations should it, in its own wisdom wish to remain there.

So that then is roughly our position on a multilateral basis, so far as the People's Republic of China and the Government of Taiwan are concerned.

I now want to turn to our bilateral relations with Mainland China. And I want to state our reservations.

I want to express those reservations coolly, and not stridently. When you are making a diplomatic approach of the kind I will mention the less strident your approach, the better your prospects of success will probably be.

I don't want you to think that there have been any great changes so far as Mainland China is concerned. They are masters of tactics. They control the news media there and they can more or less do what they want to do without great trouble from the domestic population.

We in all our dealings must remember the domestic population exercises a powerful influence on what we do. No democratic government ought to get too far out of line with the trends of thought of the people of their country.

I remind you of an incident that occurred in 1969, not very long before the last Federal elections. One phrase in a very well-presented and prepared speech by one of the most cautious diplomats we have in Australia's foreign service - a phrase relating to the presence of the USSR Navy in the Indian Ocean - caused a degree of controversy that every one of us would have preferred to have avoided. In other words, eight or nine words, caused difficulties and a tremendous amount of public disapproval.

This is why we have moved with a great degree of care. We have not wished to move in a way that we felt would insult public opinion.

I want you to understand, too, that the People's Republic of China, that is Mainland China, still proclaims in most of its public statements, and particularly in its latest May Day addresses, that it believes in revolution and believes in achieving its purposes by force. It is still bitterly critical of the United States and it uses the words "All its mad running dogs" that is those who co-operate with the USA in its desire to sustain the liberal democracies.

In those circumstances, what policies have we adopted? We have decided that our long-term objective will be, I now use the phrase that was coined in the documents that I mentioned and was used before by my colleague, Mr. Bury, the Minister for Foreign Affairs - or if it wasn't by him, by the Acting Minister on his behalf. The words used set out our predetermined goal. That we want normal bilateral relations with the People's Republic of China.

We want those relationships, but we have decided to proceed cautiously. Because as I have said, we must always be adding up the sums to see that the major advantages are with this country.

We decided to take the first step towards a diplomatic detente and took the initiative to open up discussions with them. I used the phrase one day this week - I think on Tuesday - that we want a dialogue between the two countries.

Initially we hope that we will be able to move in certain areas I will mention later.

Before I mention these areas, I want to dispel certain doubts that have arisen about our attitude to Mainland China. I think there is so much misunderstanding about what our present relationships are that I ought to stop the rumours and let you know the facts so that you will be able to judge what the prospects for the future are.

Our present attitude to Mainland China is pretty clear. There is no restriction whatsoever on the movement of Australian people to Mainland China, providing only that they can get a visa from the Chinese and providing that security considerations are not involved. In other words, we don't stop our people going there and we don't stop their people coming here. We will give them visas on the conditions, or subject to the conditions that I have just mentioned.

Secondly, but for several restrictive lists on trade, we do permit trade with Mainland China. Now at the Canton Fair, we have many, many Australians trying to fill their order books. And indeed they have met with success in many cases.

Thirdly, our cultural activities. Not so long ago there was an approval for the Peking Opera Company to come here. Because the only theatre that was available for them had closed down, they were not able to come.

I want now to illustrate the way misunderstandings are occurring. I want to mention the facts relating to wheat sales to Mainland China. They are these.

Continental China has had nine good production seasons for wheat. They don't need to import any other than special varieties to mix with the wheat that they produce themselves. They have had very good rice production which they normally sell at a premium in order to buy the blending types of wheat that they need. Rice is now in abundance. Consequently we did not expect that we would be making large sales of wheat to them this year. As they have built up the stocks they have, they need only the blending varieties.

Our position is therefore clear. Until a few weeks ago, our contracts for the sale of wheat in other countries were far greater than they have ever been. We now think that we will have a carryover, which won't be a large one - the present carryover from last year's crop is about 365 million bushels - much less than 200 million bushels. I believe it will be substantially lower than that.

In the course of the last two or three days, we have negotiated a sale to the United Arab Republic of something like one million tons.

It is argued that Peking China is playing politics with the purchase of Australian wheat. Not only do the facts deny it, but it wouldn't be a sensible sort of politics. Our sales are pretty good and our stocks will be pretty low and of the kind that we will need in the intermediate period between seasons.

Now we are moving towards a dialogue. Shortly we will be taking the preliminary steps. We have already taken other action.



The present restrictive lists are now being analysed and liberalised. The only restrictions that we will impose on trade - and this will be of interest to every one of you businessmen - are those involving defence interests or where there are strategic implications of a kind which our Department of Defence, Foreign Affairs Department and my own Ministry feel require restrictions.

I want to remind you that China is a great and powerful country and is starting to indicate that she is interested in becoming a great world power. We feel that simply because it is Communist there is insufficient reason to prevent us improving our relations with her. Secondly, we have to recognise that China wants to exercise a world role and to be able to play a part in the future trend of world affairs.

There is growing evidence that since the Cultural Revolution and the change in the power structure of the Peking hierarchy, particularly under the Premiership of Chou En-Lai - that they are searching for the opportunities to do so. It would be extremely foolish for any of us to think that this trend could be resisted because Mainland China is strong and determined. This is one of the reasons why we feel that a dialogue may be important to us.

We want to probe their feelings. What they are thinking about the Western democracies. In our turn to be able to take some action to influence the decisions that they might make.

We are now moving along a different track. I have mentioned trade to you. I now want to mention various other kinds of activities. The issue of visas, the protection of Australian personnel who are in Mainland China, cultural and other types of activities, particularly the arts.

Shortly after I announced on Tuesday that we were attempting a dialogue the irrepressible Dr. Coombs was on the phone and asked me would I give him authority to negotiate with the Chinese to bring out ballet companies, opera companies and any other type of artistic team that he felt might be entertaining to the Australian people.

We will be moving in these and other directions to try and see whether there is a basis on which we can have a rapport.

And I want to say this clearly. We will be moving cautiously. Every single step will be weighed up before we take it. Every single step will be included in the balance sheet that I mentioned.

We don't want to be pushed into taking action because somebody else has done so.

I warn you that recognition or admission will not make a great deal of difference to Mainland China. Many countries have realised that even though they have recognised Mainland China it hasn't meant that they have increased their trade. At least in the case of two countries there has been a reduction. There has not been an increase in trade. The Chinese Government has let them know that their prices aren't good enough and that political influences are not sufficient to win them the kind of contracts that they could not win in competitive company.

This is the attitude we'll take. We want to move. But we will only move if movement will be for the benefit of the Australian people and we do not prejudice our negotiating strength.

That brings <sup>me</sup> therefore to the conclusion. In all our international relationships, we in the Foreign Office and in the Government and the Prime Minister's Department particularly, will be seeking to protect and enhance your interests as Australians. Not only our vital defence and security interests, but also our trade and our cultural relations.

One of our objectives will be to provide aid and to participate in the economic development of the less developed countries of South East Asia.

Everywhere I have gone over the period of the last two years as Foreign and External Minister, I have been delighted but surprised to find that there was so much goodwill for us. In some international conferences, when a stalemate has occurred, some countries have come to us to find a solution.

We are, I believe, a phenomenal country. Our aid programmes - the money that comes out of the pockets of the Australian taxpayer are substantial. We are making a large contribution.

I come back to where I started. Our objective must first of all be to protect and enhance our vital interests. And I use the phrase again - we want political stability in the Pacific Basin. We also want economic development because we know it is a two-way traffic. As other countries develop so too will we. Above all we want peace and we want to make our contribution to the hopes and aspirations of these people. If in time we achieve peace in Indo-China, Laos, Cambodia and South Viet-Nam the kiddies there will be able to look forward to a future just as bright as ours.

---