

YOUNG LIBERALS' RALLY

MELBOURNE

12 JULY 1971

Speech by the Prime Minister, Mr. William McMahon

Mr. Chairman, Ladies and Gentlemen :

I want to talk to you tonight about China - the People's Republic of China. I do so for two reasons.

First, because that country will be of tremendous significance in our region for as far ahead as we can see and therefore it should properly engage the close attention of Liberals.

And then because I feel it is time to expose the shams and the absurdities surrounding Mr. Whitlam's excursion into "instant coffee" diplomacy. You will have been reading thousands of words about his visit to China and his talks with Chou En-Lai.

He has spelt out a policy which is dangerous for Australia. I doubt if I have ever read such a damaging and irresponsible series of declarations by any political leader in all my time in politics in Australia.

The Whitlam Policy as it stands would isolate Australia from our friends and allies not only in South-East Asia and the Pacific but in other parts of the Western world as well.

This policy must be disowned by us. We must not become pawns of the giant communist power in our region.

The Labor mission to China began, of course, as an ingenuous exercise by the Australian Labor Party, instigated by Mr. Mick Young, which wanted to play Party politics with wheat sales to China. It was turned instantly and skilfully into an international propaganda exercise by the Chinese Premier, Chou En-Lai, who committed the Labor Leader to a position Australia could never accept and from which Mr. Whitlam himself cannot withdraw.

In no time at all, Chou En-Lai had Mr. Whitlam on a hook and he played him as a fisherman plays a trout. It was done in public and in a way that guaranteed a world-wide coverage.

There are, of course, certain rules of courtesy which are observed by visitors to a foreign country. Mr. Whitlam went far beyond what was necessary in responding to his hosts when sensitive matters were raised. In the process he managed to insult just about most of our friends and allies in Asia and the Pacific.

Chou En-Lai set out to denigrate the United States and Japan - the first being our greatest ally in Asia and the Pacific and the other being our best customer in trade.

He even told Mr. Nixon how to run his Administration or get thrown out. What an impertinence to the Leader of the United States, and it is not likely to be forgotten by the American Administration.

Mr. Whitlam just stopped short of denouncing the ANZUS Pact, presumably because he wants the benefits without sharing any of the responsibilities.

Chou En-Lai raised the fear of a revival of Japanese militarism when there is no evidence to support that fear.

Mr. Whitlam accepted Chou En-Lai's statement about Japanese militarism without question. And yet only a few months ago he was telling the Australian Parliament that Japan had a diplomatic role in Asia and that we, in Australia, were well placed to make an effort to have Japan become the West's bridge with China.

One voice at home, a different voice abroad. This is a typical sample of his inconsistency.

I remind you, Ladies and Gentlemen, that only a few days ago the American Administration reaffirmed that nuclear protection for Japan would be available from the United States if the need arose. This statement was a response to reports that the Japanese would have to develop a defensive nuclear weapon by 1980.

It is obvious that Mr. Whitlam didn't know the facts and fell easily for a very, very clever piece of propaganda.

He spoke contemptuously of the Soviet Union, with whom my Government is slowly building bridges towards a better understanding beneficial to us. He described the termination of the Sino-Soviet friendship Treaty as an "abominable" act by the Soviet Union.

He sneered at Thailand, Taiwan, the Philippines and Cambodia - all countries with whom Australia has trade and friendly relations. He said Thailand and the Philippines were "trying desperately to insinuate themselves" into China's good graces.

What a presumption to talk about third Governments in this way, and on what grounds:

And so he went on playing his wild diplomatic game - knocking our friends one by one until he was virtually alone in Asia and the Pacific except for the communists.

The things he did not mention cried out for notice. He ignored recent history, and the fact of China's involvement in military action on her frontier with India, the Korean War and in Tibet.

He had nothing to say about China's part in wars of national liberation - in Vietnam, Thailand and Laos. He did not ask what the roads China was building into Northern Laos were for. One will run East to Vietnam and the other towards North-Eastern Thailand.

He did not make a plea for Mr. Chou to use his good offices to secure an honourable peace in Vietnam.

Not only did he fail to do that but he allowed himself to be put forward as a kind of intermediary and spokesman for the latest manoeuvres of North Vietnam and China at the Paris peace talks.

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He cabled me professing to have confidential information from the highest source that the latest communist peace proposals were intended to "differ in kind and extent from all previous proposals."

Without the slightest knowledge of what the other side of the picture was because he was travelling in a closed society, he said: "I am convinced that America is being given an honourable opportunity for early disengagement."

Now, this "confidential information" has already been published in the "People's Daily" - the official newspaper in Peking and references in a similar vein are in the transcript of Mr. Chou's public interview with Mr. Whitlam.

He must have known that the United States has been trying to initiate private talks in Paris to ascertain the North Vietnamese intentions, but the communist negotiators there keep evading the opportunity to seriously discuss any proposals. This is history.

I told him by cable that the proper place for the Chinese to press their case was in Paris.

I have no doubt that once again Mr. Whitlam has let himself get caught up on a stunt. I can only think that he is doing this for such cheap notoriety as it may bring him. It does harm both to Australia and the cause of peace in Vietnam.

I find it incredible that at a time when Australian soldiers are still engaged in South Vietnam, the Leader of the Labor Party is becoming a spokesman for those against whom we are fighting.

Now let us look for a moment at the question of Taiwan, because this is the crux of the matter so far as Mr. Whitlam's recognition plans are concerned.

He had declared bluntly that a Labor Government would recognise the People's Republic on the lines of the Canadian formula. He goes further. He would take the initiative in severing relations with Taiwan and he would visit Peking as "the sole capital of China".

By accepting Peking as the sole capital he is abandoning Taiwan, whatever he says about the Canadian formula.

Mr. Whitlam says Mr. Chou made no reference to Taiwan in their public discussions. But the transcript of those discussions which is freely available in Australia and has been published in several newspapers shows that Mr. Chou did in fact do so, and he described the island as China's "province of Taiwan".

Mr. Whitlam has made his choice. Without morality, without responsibility he would go "all the way" with one and dump the other. He would dump fourteen million people on Taiwan.

Now, Mr. Chairman, let me tell you where the Government stands on China - with the People's Republic on the one hand and Taiwan on the other.

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As you know, we are seeking a dialogue with the People's Republic - I'll call it China for convenience sake - with the long-term object of establishing normal diplomatic relationships.

This was not a new or recent idea. It was the outcome of a study begun long before those ping pong games were played. We have already had diplomatic contact with China but I cannot yet report any progress. But we are not surprised. Progress will be slow and we must be patient. We are acting cautiously and privately - as is the way with proper diplomacy and I hope the Chinese will react in the same way if they really want to get down to a solution of the problem.

What an unpleasing spectacle Mr. Whitlam's public diplomacy makes. A Government engaged in diplomatic activity in sensitive areas of international relations cannot perform in public. It has to put the trappings of propaganda aside and get down to realities. That is what we are doing with China.

The first major movement in China's bid to enter the community of nations, so far as Australia is concerned, is likely to be her admission to the United Nations and the security council. If it doesn't take place this year, it will almost certainly take place next year.

We have said that Australia is not opposed to this. It would be reasonable to accept this as a recognition of a fact of life - of the Chinese Government's established authority.

But there are other considerations when we come to the next stage - recognition. That may be a long way off but we are prepared to work towards it if we get any co-operation from China as we go.

But we are not prepared to do so at any cost to our own country. Our own vital interests will come first.

In all we are doing, we are naturally consulting with our allies and our friends, particularly with the United States and Japan.

We are morally bound to consider the position of Taiwan. It would be our hope that Taiwan would be able to and ready to retain membership of the United Nations when China is admitted. We would also want to see the separate rights of the people of Taiwan protected. We are consulting with them and with our friends on this, too.

That, in short, is the position. I believe it is the only honourable course that Australia can take. The judgments we make must be long considered and soberly made.

Now, Mr. Chairman, Mr. Whitlam's undisciplined foray into a league that is far too big for him began with wheat. So let me say something briefly on this point, and on the relationship we already have with the People's Republic.

Wheat has been one part only of our trade with China, and let it be remembered, we sell a lot of wheat to places other than China.

There is no discrimination against China in our tariff and import policies. Although China is not a member of GATT, we have applied GATT rules against non-discrimination to China and we will continue to do so. We give her, like other countries, most favoured nation treatment.

Furthermore, we have no barriers to visitors from the People's Republic. They can come like any others and are subject only to those normal procedures which apply to visitors from any country.

On its part, China usually exercises the strictest control over visitors from here.

Now about wheat in particular. The intervention of the Labor Party in the wheat question has not helped matters at all. The Labor delegation has played the Chinese game by introducing politics into wheat. We think our best interests will be served by leaving it to the Wheat Board and keeping it out of politics.

If you read the recent Chinese communique on the subject carefully you will see they have not given any guarantees for future purchases of Canadian wheat. They say, in effect, they will continue to treat Canada in the future as they have treated her in the past - that is to consider her first as a source.

That's not a new position. It applied before Canada decided to recognise. It is not even a decision to buy. And what's more, even if China were applying a little blackmail there are other markets for our wheat right now.

Now, Ladies and Gentlemen, that is the position as the Government sees it. The Labor Party is putting politics into wheat at a time when our rural industries need help, not hindrance.

Mr. Whitlam is putting personal notoriety before the national interest. He is showing slickness that even his critics would not have believed of him.

He has made sweeping judgments "on the voices" as it were, the voices of skilled propagandists all on one side of the fence.

It would be laughable if it were not tragic. It would be pathetic if it were not so dangerous.

I ask you to see this as a sample of the kind of diplomacy the Labor Party would exercise if ever it came to power. Let this be our incentive to see that it never does.

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