



## PRIME MINISTER

UNEDITED TRANSCRIPT OF THE PRIME MINISTER'S ADDRESS TO THE  
COMMONWEALTH HEADS OF GOVERNMENT MEETING, LONDON, 9 JUNE 1977

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The remarks made by the Prime Minister of Singapore and the reply from Guyana yesterday have prompted me to try and put one or two points from an Australian perspective.

First could I say that I think there is much in what the Prime Minister of India has said to us. As one of the newest representatives here I would be disappointed if a number of heads of government, as we are, sat round for a few days but were not able to make some advance on one or two of the vexed and difficult problems that concern us all and issues on the agenda of Southern Africa, economic issues, North-South issues. It would be a disappointing conference if we could not see an advance in these areas at the end of the day.

There is an inter-relationship with what happens, that almost makes Singapore and Guyana both right in what they said yesterday. That might sound odd, but there is a many-sidedness to the truth of certain situations. I wonder whether it does not lie in the interaction of power, of ideas, of actions and that it is an understanding of that that is part of our basic dilemma.

As Guyana said, there is a third option, or certainly appears to be, between a very stark choice of Communism on the one hand or anti-Communism on the other. At the same time there is a certain reality that affects us all. We might not sometimes like that reality and what the Great Powers do - certainly what the Super Powers do, but what other countries do - in many ways affects us all, or affects a number of us. Sometimes they might take actions that affect us intentionally; quite often they might take actions that affect other countries unintentionally. However, the point I would like to develop is that I do not think it is possible for any of us really to say that there is something going on that might be affecting a significant part of the world, but that does not affect us all. What is involved is something that will affect us - impinge upon the way we can go about our own business. Let me develop this for a moment.

It is not just military power, or the power of ideas or economic power or numbers alone which determines the course of world events, although quite clearly all these things have significant impact on it. It is the inter-relationship of the complex network

of all these things that ultimately determines what happens, whether it is in my part of the world, or whether it is in other parts.

If I could give one or two examples. The choice was mentioned yesterday between Communism and anti-Communism, and Prime Minister Lee mentioned some facets of Communism which appear to have been the same: that refugees always flee; people do not seem to want to go to Communist regimes; the countries have not escaped its embrace once it has absorbed them. On the other hand, I believe, it is very clear to all of us that there are great differences between the Communism practised in different countries or at least in the attitude of those countries. It would be hard to say Russian and Chinese Communism is the same or Yugoslavian or Vietnamese Communism. Do we know yet how divergent Communism in different countries is going to become or do we believe that in the future they will become more and more the same?

In the nature of things I think it is more likely that there would be a divergence and perhaps an increasing one, but quite obviously South-East Asia is much affected by the course that China takes, by decisions that China makes, or fails to make, by support for activities outside its own borders one way or another, and South-East Asia can also be much affected by the course of Vietnamese actions, by the relationship that develops between the present states of Indo-China and China itself. We cannot avoid being affected at least in my part of the world by the flow out of these particular changes.

In another area where I believe the Australian position has often been much misquoted by the media - I think any statements I have made or my Foreign Minister has made have been moderate - the Indian Ocean. We have been concerned for balance, balance at the lowest possible level, and certainly do not want to see any arms race between super powers or anyone else in that particular area, but we do want to see a balance. People might disagree with that, but I have not really heard that concept itself attacked. Why is that area important? It is not only important to the littoral states, but it is also important to Japan, as a source of oil supplies which must get through the trade routes. If that were at any stage, at any time, interdicted there would obviously be very serious consequences not only for Japan but for the course of action that Japan would have to take to protect her own future. So again we have an inter-relationship and I think sometimes we might fail to stand off sufficiently far to understand the full consequences of actions that might take place in one corner, and to note that those consequences might be in much wider areas.

Prime Minister Lee also mentioned the question of trade and protection. I believe this is something that affects all of us, but it is also a subject which we all intrinsically look at from our own particular points of view. I know quite well that Asian countries, for example, would want a greater degree of trade with Australia, greater access to Australia's markets, even though those markets are in total relatively small. But protection on our protected goods, manufactured goods, has in fact come down about thirty percent, and for the last several years Asian trade

with Australia has increased its penetration of our markets by twenty-nine percent each year. I do not think as great a rate of penetration as that is really sustainable without domestic effects which could obviously be serious and result in domestic reaction that one would not want. But then again, what Australia can do in trade, what another country can do must relate to other parts of the world. I will not go into this in any detail, but I think there are certain difficulties especially where you have pressures to have less protection on manufactured goods and pressures in relation to agricultural goods.

I know in relation to developing countries the LOME Convention has given some degree of access, but whether that is commensurate with the kind of access that the developed nations that Europe expects for manufactured goods, I would somewhat doubt. We have seen in the last few days how some manufactured products from Japan have been banned in Italy for the time being. How long the ban will last I suppose nobody knows, but does anyone stop to think what impact that is going to have? If that is starting to introduce into manufactured goods the kind of protective devices that have hitherto only been used by the Community in agricultural commodities, then the consequences for a country like Japan are going to be enormous and go far beyond the immediate perspective of trade or the inability to trade and in this area perhaps Japan is a long way from Europe. Australia's perspective on Japan's necessities might be quite different from Europe's, but as we would see it, Japan, which is pre-eminently a manufacturing and trading nation, with a resource basically for her own people alone, needs to have access to markets, needs to have access to raw materials and also regards as important her defence relationship with the United States.

If the defence relationship with the United States were upset - and there is no suggestion that that would occur - the present course of her policies, as the Prime Minister of Singapore indicated, I think yesterday, might well have to be re-thought, even though that could involve a change in her Constitution but if market access to the only areas in the world which can presently give Japan the markets which are necessary to sustain her - United States and Europe - begin to be denied her, then the consequences for the Pacific region, and for far beyond, I believe, would be very great indeed. I do not think we should ignore the fact that two or three ministers of the present government have said that they take some signs in the trading of the world as consequences that caused Japan to arm and go to war in the thirties.

Again, banning the import of manufactured goods in one line, Italy to Japan, people might think is an action which has no real great consequence, but how does it go? Where is the next step? When does that road end, because if it goes too far, the consequences would be very great indeed. Part of what I am saying is that there is one world, in a number of areas, such as in trade, and in what happens to the inter-relationship between nations, it is also one world geographically, because whether it is the Southern Pacific, or Asia, these areas can be affected by the policies of major powers, whether those areas want to be affected or not. We would hope for example, that there is never a competition for influence in our area or the area to the north of us, but if that competition for influence emerged could any

one of the countries in that particular area stop it against major powers? I think it might be very difficult to stop. So again, it is a question of what everyone does that affects us all. The course that Japan takes, I have indicated, could have repercussions over a much wider area, even though we did not want it. Europe involved the whole world in world wars twice and now we hope that the European Economic Community and its political objective will prevent that ever happening again. Again, wherever we live, there is a possibility not only of being infected but by being involved - even against our world - and I think this again indicates it is not really possible to shut doors and pretend that problems of difficulties do not exist.

The question of human rights, which is very much in our minds and in the minds of many people, obviously affects the relationship between nations and the problems of Southern Africa are going to be discussed at a later occasion, but there there are the policies pursued by countries which are an offence to human decency and are a scourge on the dignity of man. How long will they continue? I think there is no policy more offensive than the policy of Apartheid, and whatever one might think of it in terms of its own logic, it is doomed to failure, but at the same time to suggest that what happens in Africa is not going to affect relations between places in many different countries - nobody is suggesting that now, but again, emphasising the point that there is inter-relationship between what happens in one place, with what happens in another place, even though it might be on the other side of the world. It cannot be ignored.

Just a couple of other points. I sometimes suspect there is a danger of habit for international forums. The problems are there and they remain. We are here this year. If they are not solved we will be back again in a couple of years and maybe progress will be made before then. I would hope the Commonwealth can put aside the danger of habit, and have a renewed approach, as the Prime Minister of India, I think, wanted to see in major problems. What happens is not really separable and we cannot pretend things are not going to affect us. I suspect the presence of everyone here is a recognition of that. We should make sure words do not become a substitute for action, but at the same time we need a tolerance which has already been demonstrated in the diverse views around this forum. We need to understand the consequences of our actions not only on ourselves, but on other people sometimes far from us, an inter-relation between what we do, and what other people do, is very real; that it needs to be understood and I would very much hope than when we get to the specific areas, and are recognising some of the points that have been made during the course of this debate, we will be able to take advances on specific areas which will come before us.