



PRIME MINISTER

FOR PRESS

24 OCTOBER 1978

ADDRESS

AT

LUNCHEON FOR PRESIDENT SCHEEL

It is a great pleasure to welcome you Sir, to Australia. This is the first occasion on which we have been visited by a President of the Federal Republic of Germany. It is an important milestone in the relationship between our two nations.

Mr President, we welcome you not only because of the significance of your position, but also because your deep sense of commitment and strength of purpose have put you in the front rank of today's European statesmen.

In the course of your political career, you have shown a willingness to chart new courses, and since your assumption of the Presidency you have maintained a lively and critical interest in domestic and world affairs.

Your visit to Australia demonstrates the breadth of your interests and your acute awareness of changing trends.

As I believe you said, before you departed on this visit, looking at Australia from the German perspective "The political economic and strategic significance of Australia, and of the whole South Pacific Region, is rapidly increasing...(Thus) it is a good thing to intensify our exchange of views and our co-operation with Australia."

We, for our part, have watched with admiration Germany's development as one of the world's great and most stable democracies. The economic miracle of the Federal Republic has been spoken of so often that the very real truth contained in that phrase is sometimes overlooked.

The economic restoration of your country to the first rank of the industrial world is a great tribute to the German people and a reminder that seemingly insuperable problems can be overcome by dedication, determination and a willingness to work.

Just as important is the Republic's record of democratic constitutional innovation and the strength of its commitment to the democratic process and the rule of law.

Mr President, there is considerable common ground between us. Our countries have a commitment to democratic values and institutions. We have economic and strategic interests in common, and similar approaches to the major problems of the day.

Australia and Germany are far from one another, but your visit underscores the fact that distance has not obscured the very real interests we share.

Economically, politically and not least strategically, Germany, Australia and the world's other democracies are inter-dependent. The democracies are not just similar political systems, isolated and scattered at random across the globe, or merely inter-dependent in just a narrow sense.

The democracies constitute what is in reality a community, drawing sustenance and encouragement from one another, recognising that our values, our national security and our prosperity must be safeguarded on a global basis.

To maintain their strength the democracies must not only recognise the nature of their inter-dependence, but also continue to make economic progress.

Unfortunately in the last few years we have all encountered economic problems of varying degrees. Australia and the Federal Republic of Germany have had much in common in our approaches to these problems.

We in Australia have long respected the steadfast manner in which the German Federal Government - a government which I should point out is on the other side of the political fence from my own - has consistently pursued policies directed at reducing and controlling inflation.

Those policies have, of course, been based on the need to exercise fiscal and monetary restraint - a lesson which I know you in Germany learned from your bitter experience with the disastrous social and economic effects of high inflation.

Germany's progress in controlling inflation has now enabled you to take action to expand demand, thereby improving the outlook for world trade. There is an important lesson here, but because time and patience are required it is not a message which has instant popular appeal, and we should seek ways of getting it better understood.

Mr President, we have heard that of the many records you have set, some have even reached the German hit parade. Perhaps, with your fine singing voice, if you were to record a popular song on this subject, the message might be better spread. It wouldn't have the lilt of "High on the Yellow Wagon",

and I'm not sure exactly how the lyrics would run....but the message could be based on the recent speech by Emile Van Lennep, a speech which might just as easily have come from Helmit Schmidt.

In that speech, Secretary General Van Lennep pointed out that "unacceptably high rates of inflation remain the fundamental obstacle to getting back to full employment." It is a message that calls for a steady application of policies over the medium term.

That is the strategy which your government has pursued, and it is the strategy my Government is also determined to maintain. There is, however, one respect in which the policies of all members of the European Community bear re-examination. My Government believes that the common agricultural policy of the Economic Community is unreasonably excluding many producers from the European market.

We believe this threatens the further development of world trade, and is against the economic interests of the members of the E.C.

It is not that we fail to understand the problems confronting the European Community or are preoccupied with our own concerns. Against the background of many years of international conflict we endorse the importance of the broad political and economic objectives of the European Community.

What we find difficult to understand is that Europe should apparently overlook the great dangers that could flow if it should now fail to adopt more outward looking trade policies.

Of course, Mr President, we do distinguish between the policy attitudes of the Republic in this matter and those which I characterised as the policies of "Europe".

We know that Germany has argued its points of view in the counsels of Europe and at economic summits. We should be delighted if these views achieved greater success in those interminable counsels in Brussels.

Mr President, we welcome the increasing role that Germany is playing in diplomacy and global matters in general, because there are major issues facing the international community. Not the least of these involve trade and the international economy.

It is of the utmost importance that powerful trading blocs such as the European Community recognise that trade decisions made in Europe reverberate around the world, that they have political and strategic consequences which could endure far beyond their shorter-run economic impact.

The recognition of this is one reason why, as we understand it, the Federal Republic has argued for an outward looking trading policy for reduced barriers to trade, an end to increased

protectionism, and a recognition of the importance of shared political, economic and strategic interests.

Mr President, although your visit is a comparatively short one, I am sure that it will give you the opportunity to gain an appreciation of Australia.

I extend to you and your distinguished colleagues a very warm welcome and my very best wishes for a successful and enjoyable visit.

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