



FILE

PRIME MINISTER

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NORMALISATION OF RELATIONS BETWEEN
THE UNITED STATES AND CHINA

The Prime Minister, the Rt. Hon. Malcolm Fraser, CH, MP, today said that he understood and supported President Carter's statement that the United States and the People's Republic of China had agreed to recognise each other and to establish diplomatic relations from 1 January 1979.

The Prime Minister said that in these major matters there were often two sets of interests. The first involved the global situation, the strategic balance and relations between the major powers. The second concerned the needs of a region or of parts of a region. Quite plainly, President Carter had no alternative but to give priority to the first set of interests in these very difficult negotiations.

The Prime Minister said that North Asia was an area where the interests of all major powers converged, and it was most important for the stability of the region that all of these powers should be in close relations. The exchange of full diplomatic relations between the United States and China would in itself be of paramount importance in maintaining the international strategic balance. It would also enable the United States to play a fuller and more effective role in Asia and the Pacific. This would require the maintenance of appropriate American power and influence -- political, economic and military -- in the region.

The fact that China was now looking outward as never before in her history, and was determined to modernise, and that both countries had decided to enter into full relations, would greatly strengthen the world situation.

In recent times, a great deal of attention had been focused on Europe and Africa: the move to recognition by the United States served notice that American policy in the Pacific and Asia would not go by default.

The initiative came from a nation with global responsibilities imposed on her by her own power. It came from a nation responding to those responsibilities.

The Prime Minister commented that the people of the United States and China also had much to gain from the normalisation of relations. For many years, the people of the two countries had been denied the full range of cultural, commercial and other exchanges. Each had much to offer to the other in these fields, and the new status of the relationship was therefore expected to bring substantial mutual benefits.

The Prime Minister paid warm tribute to the statesmanship of the leaders of the United States and the People's Republic of China. Both President Carter and Chairman Hua Kuo-feng and their governments had been determined to overcome the difficult problems that had stood in the way of the normalisation of diplomatic relations.

This had not been an easy task, involving as it did the adjustment of the United States relationship with Taiwan. It was in this area that the second set of interests came into play, and in relation to that the Prime Minister noted and shared the concern expressed by President Carter for the future peace and well-being of the people of Taiwan. He also noted recent assurances by Chinese leaders including Vice Premier Teng Hsiao-ping that China would seek a peaceful reunification of Taiwan with the mainland and that Taiwan had a different social and economic system which would have to be taken into account. Whatever ultimate solution was achieved over Taiwan it was of critical importance in the Australian view that it be reached by peaceful means.