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PRIME MINISTER

FOR MEDIATUESDAY, 30 MARCH 1982.ADDRESS TO PARLIAMENTARY LUNCHEON FOR THE KING OF SWEDEN

On behalf of the Australian Government and the Australian Parliament and people, I extend to Your Majesty, Princess Christina and the distinguished members of your party a very warm welcome to Australia, very warm welcome to Canberra. We hope that you enjoy your time here, and that you will come back again.

Our two countries are at opposite points of the Earth. Yet the links between us are strong and go back to the earliest period of European settlement of Australia. Travelling with Captain James Cook on his first voyage to Australia in 1770 was a Swedish botanist - Daniel Solander - who was Joseph Banks' chief assistant.

Our modern association is nourished by the presence of many people from Sweden who have with their descendants contributed so much to the vitality of Australian society. The Swedish community here has contributed a very great deal indeed in the development of our taste for quality in everyday things and to our culture as a whole.

We have a living link too, in the commercial relationship which has always been a strong one. Looking to the future, each country can expect the other to be a secure and reliable economic partner. The Nuclear Safeguards Agreement now in force opens the way to a further development of our economic relationship when Swedish purchases of Australian uranium get under way. It can be no coincidence therefore that your party includes your distinguished Minister for Industry, Mr Asling, and that your program includes visits to the NSW coalfields and to the large natural resources projects in Western Australia. Indeed Your Majesty, in a short time you will be seeing a great deal of Australia.

Your visit is welcome for all these reasons, and not the least because you personally have been able to accept our invitation. You succeeded your grandfather at the young

age of 27 after periods in the Swedish Navy and in Sweden's diplomatic service. You obtained practical experience of international commerce and banking in the United Kingdom. This background has placed you in a strong position to promote Sweden's international economic interests, a task which I know is high on your agenda for this state visit. It is a pity that your time does not allow you to pursue your scuba-diving and boating interests on the Great Barrier Reef, but perhaps that is something which will enable us to entice you back at some time in the future.

While we are delighted to have you with us, Your Majesty, we are sorry not also to be able to welcome Her Majesty Queen Silvia. As Queen Silvia is expecting her third child not long after your return to Sweden her inability to make the journey here is for the best reasons, as most Australians are very ready to understand. This year, 1982, is going to be remembered for the arrival of royal children. Your visit will make it possible for you to take home personally our best wishes for the happy event later this year.

As Crown Prince, you visited Sydney and Fremantle in 1967 as a cadet on a Swedish naval training ship. Certainly the comparisons you can make with your earlier visit will give you the measure of the change and development which has occurred in Australia in the intervening 15 years. You will see many signs of this change, as you make contact with various parts of our country during the next week. Economic achievements are the attributes of our two nations which bear the most visible resemblance.

There are, however, other more important things we have in common. Despite differences in our history, and vast differences in our geography and regional environments, we have developed a number of similar values and have expressed them in similar political structures. Australia and Sweden share a fundamental commitment to the democratic process and to the rights, freedoms and well-being of all people, no matter who they are or what they are. Swedes and Australians hold these values to be the basic purpose of their states.

Internationally, we are each strongly committed to making the necessary sacrifices to protect this way of life. The foreign policies of our two countries may diverge as to the means seen to be necessary to protect these values, but our goals are the same. Your country has a policy of neutrality while ours is one of alliance with the United States and other allies. The option Sweden has chosen is not an easy one. It has involved your country in very significant defence costs. Measured in dollars per head of population your country's commitment to defence is the third highest in Western Europe. You are obviously determined to protect your right to neutrality.

The objective of self-sufficiency has entailed universal national service for Sweden and the channelling of investment into a substantial defence industry. And Sweden's neutrality is not a neutrality of silence and withdrawal. Your country has participated actively in the United Nations peacekeeping operations and by very spirited and active diplomacy.

Sweden has stood up for the extension of human rights and championed the campaign against racism. Your country was among the first of the developed nations to recognise the enormous importance of international development assistance in overcoming the poverty of the Third World. Your country has originated some of the most significant innovations in peace research, and through the Nobel Foundation has internationalised intellectual achievement and man's knowledge of himself.

Australia has been able to co-operate closely with Sweden in many of these spheres. We have worked together particularly well in international arms control efforts, including those aimed at preventing the spread of nuclear weapons.

But no country, least of all middle powers such as Australia and Sweden, can avoid the responsibility of looking beyond their immediate regions to the world as a whole. Only half a decade ago the vision before us seemed generally benign. It was a world in which East/West tensions were at a low ebb; in which arms control negotiations held out some prospect of a significant slowing of the arms race; in which ongoing economic growth seemed substantially attainable. There was an air of optimism despite serious problems such as oil prices; there was a feeling that the future was manageable and that it was bound to keep on being better than the past.

Now, however, we look out at an increasingly troubled and uncertain world scene. The economic situation in the industrialised countries is plainly a cause of serious concern. Economic growth has slowed markedly, indeed, OECD estimates for 1981 indicate a fall of 2% for the United Kingdom and 1% for the Federal Republic of Germany. Even when the performances of France and Italy were added, the average growth of the four major European economies last year was a minus quantity.

Economic stagnation, the tenacity of high inflation and the continuing high levels of unemployment are threatening to overturn the expectation of constantly improving living standards which has underpinned the buoyancy of mood of the post-war generations. There is an urgent need for solutions to be found for these problems, and obviously their consequence for the well-being of our peoples goes further than living standards. For the adverse economic conditions in western countries make it so much more difficult for their leaders to deal with the strategic dangers arising out of the present state of East-West relations.

The dangerous deterioration in East-West relationships is another feature of the world scene which has become evident in recent years.

Whatever one's views on the effectiveness and realism of some of the policies of detente which commanded great support in the 1960s and 1970s, it is now clear that the international behaviour of the Soviet Union is posing a fundamental challenge to democracies. The background of that sketch is something that we should all ponder and see how we should address ourselves to the difficulties. It is beyond doubt that the Soviet Union's guidelines for its international dealings are no different to the rule that applies for dealing with people living within its own boundaries. That also is not a particular cause for optimism.

A further consequence of the uncertainties which have arisen recently is a faltering in the momentum towards a serious and comprehensive dialogue between the countries of the industrialised North and the developing South. Because both our countries have worked so hard on economic development issues over past years, any failure by the international community to address these matters adequately would come as a particularly bitter blow.

Sweden and Australia working together with countries which share many similar values, must maintain our efforts to restore confidence about the world climate which is lacking now. We must work to re-establish discussion on these issues otherwise there is going to be a great deal of unhappiness and great deal of disillusion amongst many, many families indeed. We must not lose sight of the major asset which healthy relations between our countries bring to this task. Your visit here Your Majesty is certainly going to assist in this. We welcome very much the fact that you have come to visit us. I am confident that your visit to Australia will mark the maturing of such a relationship between Sweden and this country and make that relationship hold great promise for the future.